Give To The Red Cross

Post Report on Public Utilities (p. 17-32)

THE FINANCIAL POST

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The Nation's Business

Act Now to Prevent Wastage of Labor

Two months ago, Hon. C. D. Howe issued an important statement regarding layoffs in war industry in Canada. The statement was intended to alleviate fears and dispel misunderstanding regarding these layoffs. It was pointed out that layoffs and unemployment were inevitable with the changing trend and tempo of war and must be expected to continue. Mr. Howe indicated that certain steps were being taken at Ottawa to meet the problem. Assurance was given that "labor will not be wasted."

It now appears that Canada, in common with Britain and the United States, but to a greater degree than both these countries, is facing a situation where many thousands of war workers will lose their present jobs within the next three to twelve months. Elsewhere on this page, Kenneth R. Wilson, our Ottawa correspondent, reporting on recent developments in Washington and London, points out that within the past few days a decision has been made to abandon production of an important weapon which Canada has been making for several war years. Cancellation of this order will mean the layoff in two large cities of several thousand men.

Obviously there is no "overall" surplus of manpower in Canada when service requirements and the dire and critical needs of agriculture are taken into consideration. But what threatens now (and increasingly in the future) is a serious and disturbing "wastage" of manpower and of war plant while necessary adjustments are made to shift these men and these facilities to other work.

NEED JOINT PLANNING NOW

What is already being discussed in Washington and what The Financial Post suggests for Canada, is the immediate setting up of a joint body, representative of industrial, labor and governmental leaders to plan at once for Canada a "progressive conversion" programme so as to ensure that these stoppages and cancellations of war orders be given the utmost forethought and that blueprints be drawn up to see that the manpower and facilities so released be put to the most effective and immediate use.

One possible outlet which should be explored at once is the extent to which the repair and replacement of our existing war plant—our railway equipment, our farm machinery, our industrial machinery, our manufacturing and distributing facilities—have been overlooked in the urge to produce the weapons of war. There is evidence in the United States that the next war production "crisis" will be exactly in that direction and that serious stoppage of war production threatens unless more attention is paid to that problem. If we have the raw materials available then this work might be started at once and if raw materials are not available, then why not use any surplus labor to increase the supply of them.

What looms ahead is the encouraging fact that our war "pipe lines" are already beginning to fill up. At long last we are able to see the end of the road so far as the supply of much "original equipment" to our land armies is concerned.

But this very fact raises new problems, especially in a country like Canada which has specialized in the manufacture of some of these particular weapons and where our production is not so diversified as in other countries.

Mr. Howe has already indicated his concern regarding this new milestone along our war production highway. No time should now be lost in taking further important and necessary steps to call in labor and industrial leaders and organize them officially to meet this vitally important new problem of "progressive conversion."

* * * *

THE MORE STUDY NOW THE BETTER

As a basis of discussion and a source of information on a vital subject which the mass of public opinion today demands should be discussed, the Leonard Marsh social security report is a welcome and valuable document.

As with the Beveridge report, the Marsh "basis of study" is already leading many to instantaneous decisions of the "ham-and-eggs," "pie-in-the-sky" variety; to assume a brand-new heaven and earth is right around the corner. This, of course, is very far from the truth and the less enthusiastic rejoicing or adamant opposition, and the more sober, conscientious and honest study of the problems raised the better.

It should be kept clearly in mind that the King Administration is not offering Canada a Beveridge plan. The government will likely try to make all possible political hay out of popular confusion on this point. The Marsh report is not a government plan for action. It is simply a basis of discussion, a compilation of facts and a proposal, out of which the administration may offer the people of Canada everything, nothing, or something entirely different.

Dr. Marsh would be the last person to claim that he has covered all the angles; that he has detected all the problems; that his report is an action blueprint. That it was produced under such high pressure and with little assistance is a high tribute to him. He himself is quoted as saying that, "we really did the intensive brain work in a week." It will not be claimed that "Social Security" for a nation can be blueprinted in one feverish week.

The subject of social security is on nearly everyone's mind in Canada, United States, the United Kingdom and elsewhere. Discussion of it now is highly proper because of its implications for wartime morale and postwar planning. The more and the better the study put on this subject by all groups NOW the better.

Such study must also consider where the pastry and the filling for the "pie-in-the-sky" is to come from. The first job must be to ensure production of the national income that will make security possible. Without that, schedules of "benefits" are cruel illusions which some politicians will use to dazzle the eyes of voters.

* * * *

NOT TO BE DISMISSED SO READILY

In attempting to dismiss the serious reports in the Ottawa Journal of "crazy waste and extravagance" in government expenditures, Hon. T. A. Crerar made the statement that "if we are going to investigate every rumor that appears in the newspapers, this House would be busy doing nothing else."

In this opinion, Mr. Crerar was supported by the Prime Minister and several other members of the government. But there will be no support from the general public. Conscientious readers of Hansard, who are often forced to wade through page after page of utter drivel, will agree that Parliament might do a great deal worse than take on the very job which Mr. Crerar derides.

The Ottawa Journal is a responsible newspaper and it quoted Col. John Thompson, a responsible official, who as Director of Government Office Economies Control, is in a position to speak with authority. Charges from such sources are not to be dismissed with a shrug of the shoulders.

The periodicals and newspapers of this country have saved the public hundreds of millions of dollars in revealing cases of mismanagement of public funds. There was the Bren gun case just before the war. As a result of an investigation, following an analysis of that contract in Maclean's Magazine and The Financial Post, the whole system of war contracts was revised with enormous savings to the Canadian taxpayer. There was the famous customs probe of the late "twenties." There was the deplorable rum-running scandal.

From the very beginning of a free and virile press, reforms of all kinds have steadily flowed. Only through the press can the public be kept fully informed; and an informed public is the very keystone of democracy.

Security Proposals Not Final

Marsh Report Seen as Rough Draft For Future Plan

By STAFF WRITER

OTTAWA.—The biggest dose of social security this country has ever been called on to swallow was laid at the feet of Parliament this week. Parliament's committee on social security was presented not only with a draft proposal for a $256 millions health insurance programme but also the $900 millions Marsh proposals for cradle-to-grave security for the Canadian people.

Close examination of the two programmes reveals discrepancies in government thinking. The health insurance programme, now in draft form, contemplates a system of federal grants-in-aid to provinces which meet a certain minimum requirement and set up their own individual health insurance plans along the lines of a model federal bill.

Different Basis

The Marsh proposals (which include health insurance as "the most important basic measure additional to unemployment insurance") shy completely away from a grants-in-aid programme and urge a health plan which, while provincial in administration, would be financed under co-operative agreement be-

(Continued on page 2, col. 1)

Social Security Specialist

—Photo for The Financial Post by Karsh.

Dr. Leonard C. Marsh, author of the report on Canadian social security which has been presented to Parliament is slender and looks even younger than his 37 years. A former assistant of Sir William Beveridge, author of the social security plan for the United Kingdom, he went through the London School of Economics on a scholarship, winning his B. Sc., and later took his M.A. and Ph.D. at McGill University. He has written a number of books on economics, has been research adviser to the Dominion Government's advisory committee on reconstruction since July, 1941.

Deny Charges on Newsprint

Criticism from U. S. Said Unwarranted by Facts

By JOHN E. LANGDON

MONTREAL.—American publishers who criticize Canada's newsprint price policy and the rationing of paper seemingly are unaware of what has been going on in their own industry or are deliberately muddying the waters in an effort to offset any further upward adjustment in the price of paper this year, newsprint men tell The Financial Post.

This reaction is evoked by an article in The Post last week from Washington reporting comments of American publishing interests.

There it was openly charged that Canada's bungling and ignorance of its own statistical position on pulpwood was responsible for the apparent volte face in withdrawing the mooted April 1 ration cut on newsprint and other papers.

It was also charged that Canadian officials and newsprint operators were doing smart horsetrading in "threatening" to cut consumption and that "once Canada got its higher newsprint price, it didn't take long to produce the extra newsprint and pulpwood."

To these charges the Canadian industry takes vigorous exception. It points out the following:

Basic fact in the current newsprint situation is that policy is made not in Ottawa or Montreal, but in Washington. Washington has been calling the tune for some months past. It continues to call the tune and will undoubtedly do so for some time to come.

Donald Gordon, head of Canada's Wartime Prices and Trade Board; Wilbert Howard, pulp and paper administrator; R. L. Weldon, newsprint administrator; A. B. Jewett, book and writing paper administrator, and John Atkins, publishing administrator, have sat in on Washington conferences, but the U. S. War Production Board has been responsible for the making of policy.

The plan to cut consumption originated with the W.P.B. It made its own appraisal of the situation, has known right along what Canada could produce. It has been equally well informed on the domestic situation in the United States. Objective of W.P.B. in cutting paper consumption three months ago was to release a larger proportion of available pulp for war purposes. If anybody is to be criticized, it must be W.P.B. operators point out.

The idea for a second 10% cut in consumption originated with the W.P.B. and not in Canada. The opposition in Congress and among publishers to this move forced the W.P.B. to change its plans and defer action until at least July 1. The reason officially given was that Canada's pulpwood supply was found to be bigger than has been known, hence the accusation of Canadian bungling and ignorance of its own statistical position on pulpwood.

The facts show that Canada did not bungle, nor did it display ignorance. Early last December a survey was made and on the then known facts it appeared that Canada would not have enough wood to meet all prospective demands, particularly pulp and pulpwood from the United States.

The estimate was as accurate as it was humanly possible to make at the time. As the winter passed and reports of cutting came in, the situation began to look more promising. American publishers were not un-

(Continued on page 2, col. 4)

Fishing Turns Modern

War Urgency Brings Old Industry Up to Date

Under wartime pressure for production—and more production—Canada's Atlantic fishing industry is being modernized overnight.

Fishermen have buried old prejudices which made east coast fishing our least mechanized big industry, are adopting new methods and new equipment. Most important prejudice to be circumvented is that against trawlers.

Today the government is subsidizing the construction of draggers—vessels which drag nets along the bottom of the sea and take big catches. By any other name a dragger would be a trawler. It differs only in that it is smaller and is built of wood instead of steel.

Atlantic fishermen fought tooth and nail against trawlers for years—succeeded in having Ottawa restrict to three the number of trawlers on the coast. They are accepting the draggers almost without protest. Some even see these vessels as the key to continued prosperity—a prosperity they did not have in prewar days.

They are also accepting "long lining"—a method of fishing followed by the halibut fleets on the Pacific coast and held to be far superior to the "line trawling" to which Canada's Atlantic fishermen had clung so long.

Quick Freezing Facilities

In addition the industry's quick freezing and storage facilities have been improved. In a relatively short space of time our centuries-old Atlantic fishing industry has experienced the greatest development in its history.

Man behind the things which are happening now is able, hard-working Ernest Bertrand, 54-year-old Montreal lawyer, who is Canada's Minister of Fisheries. He has as his first lieutenant Dr. D. B. Finn, clear-headed young scientist, a Cambridge graduate who has been Deputy Minister of Fisheries since 1940.

"The food problem is becoming grave," Mr. Bertrand told The Financial Post. "This continent now has to provide Britain and other United Nations with supplies they formerly got from countries which have been occupied by the enemy.

"From the point of view of cereals we are in a good position. But the protein situation—fish, meat, eggs, cheese and so forth—is going to be increasingly tight.

"We know, too, that the more complete is our victory the more will our food supplies be strained, since we will be faced with the task of feeding the liberated countries. The people in those countries are now getting along on less than subsistence rations and being held in submission by enemy police.

"When we break down the enemy, we will also break his control systems, and unless we have food to pour in there will immediately be chaos. The need of finding this food will have a restrictive effect on domestic consumption. I don't think anybody believes that we on this continent will actually go short, but the selection of food will be reduced in range."

As for production of fish, Canada's wartime output has kept up better than might perhaps have been expected, having regard to the conditions which the industry has had to face.

"In large measure," Mr. Bertrand said, "and particularly on the east coast, fishermen are operating under enemy hazard. They run real war risks.

"War has meant, too, that the productive power of our fishing fleets has been reduced because of the necessity of diverting numbers of fishing vessels to uses connected with purposes of national defense. In the United States the navy has taken over most of the Atlantic trawlers, and in Canada it was not only necessary to turn certain fishing units over to defense services at the outset of the war but from time to time since then other fishing vessels have also been requisitioned for defense purposes. However, we have been bending all our efforts toward making good the loss in productive power, the fishermen have responded admirably to the urgings that they do their utmost, and our Canadian production has kept up well."

At the same time, Mr. Bertrand said, the overall situation is urgent and difficult.

"Notwithstanding that the industry has done well in maintaining output, our supplies of fish are

(Continued on page 3)

East coast fishing has long been Canada's least mechanized big industry. In peacetime, fishermen fought against changes, feared trawlers and modern methods would rob them of their livelihood. Under wartime urgency, they have buried old prejudices, find their industry being streamlined overnight. They have accepted "draggers," which by any other name would be small trawlers. In an interview with The Financial Post, Fisheries Minister Ernest Bertrand tells of present day developments and what fishermen are doing to provide food for the United Nations.

Predict Unemployment Looms Unless Reconversion Speeded

Shifts Now Being Made in War Production Seen Leaving Industries and Manpower Idle Unless Progressive Conversion Programme Drafted

Based on first-hand information from top United Nations authorities, the following article presents the first comprehensive account and analysis of the major problem facing war industry today. For security reasons, few of the specific facts on which these conclusions are based can now be published.

By KENNETH R. WILSON

Canada faces a serious wastage of war plant and war manpower within the next three to twelve months unless steps are taken now to plan and implement what is termed in the United States a "progressive conversion" programme.

The term "progressive conversion" is so new, even in the United States, that no one as yet has clearly defined its meaning.

For Canada, it may be taken to mean a plan whereby plants which now find themselves bereft of war orders, can move quickly and efficiently to other or "peacetime" work—probably of a type which is essential to maintain the efficient operation of the nation's homes, farms, transport systems, war plant, and services, etc.

Behind this new and very significant trend in the United Nations' war programme is the fact that production lines for equipment of our land armies are already beginning to reach saturation point. This is especially true of guns and shells. It is particularly true of many of the weapons in which Canada has specialized and which she has been turning out at an increasing rate within the past two to three years.

For example: within the past few days, at Washington and London, decisions have been made which will halt completely the manufacture of one important weapon which has kept two big Canadian war plants going full blast for a considerable period of time. This means that several thousand men will be thrown out of employment in two large Canadian cities.

In this instance some of these men and some of the plant will be diverted to making parts or components for escort vessels. Some may be converted to meet the increased demand in Canada for universal carriers. (The manufacture of carriers in Canada is about to be increased by between 40 and 50%.)

Some of the men may be drafted into the army. Some may be available to meet the critical shortage of farm manpower. But unless conversion plans are "blueprinted" in advance, there is almost certain to be unnecessary and increasing wastage of manpower and of war plant as war orders are reduced or cancelled.

In Washington, last week, one of the chief executives of the U. S. war production programme said this:

"By fall, we will be producing considerably more than we can possibly ship. Our pipe lines will be filled. Attrition will regulate the additional flow, but our needs for "original equipment" for our land armies will have been met, and no matter how great the wastage from battle destruction and casualties, it would now appear that

(Continued on page 5)

Smelters' Head Looks to Future

One of the most significant statements yet made on corporate planning for the postwar period is that of President S. G. Blaylock of Consolidated Mining and Smelting Co. of Canada, who has revealed to The Financial Post the broad field which his company is investigating to assure the continued stability of the enterprise of which he is the head.

This statement, secured by the Vancouver representative of The Post, appears on page 14 of this issue. It gives in detail the new areas of activity which Mr. Blaylock feels can be tapped if conditions point that way—and what his company possesses to enable these objectives to be achieved.

New Surcharge For Union Gas

While the special wartime surcharge of 65 cents per m.c.f. to industrial consumers allowed Union Gas Co. of Canada by the Wartime Prices and Trade Board was not as much as sought, it is understood that the new rates are regarded as "satisfactory."

For shareholders the surcharge will not mean an immediate resumption of dividends which were deferred last September. It is expected that this latest move will restore operations to a profitable basis, but conditions during the last few months have resulted in a sizable depletion of cash reserves. No hope of dividend resumption is seen to exist until these cash reserves are rebuilt.

Endangered Operations

Without the surcharge it was contended that the company could not have kept going much longer, due to the heavy operating loss it was incurring through being held to peacetime dump rates on industrial gas contracts.

Indicative of the situation was the fact that Union Gas spent some $1.5 million on its Sarnia still gas plant from which it has been drawing gas at an annual rate of two billion cu. ft. since last October. Cost of producing this gas is said to have been more than the rate charged to industrial customers,

Elson From Washington

Eden Clears U. N. Relations

By ROBERT T. ELSON

WASHINGTON.—How much can be expected from Eden's mission?

Best information indicates nothing immediately spectacular in the way of a United Nations conference, central war executive or the dozen and one other propositions wildly discussed from time to time. Long run results will be important because of the personal connections Eden has established here.

Contrary to popular belief, Eden was not well known in Washington and never talked before the high U. S. officials on an official level. Neither did he come with a fixed agenda. No subjects have been barred, but this appears to be merely the "beginning of the beginning," to turn Churchill's phrase, so far as Anglo-American approaches to wider United Nations co-operation are concerned.

This capital makes much of the Soviet enigma, but there is reason to believe the British worry less because of their Anglo-Soviet pact which binds them for 20 years. Eden has been careful to explain that the Atlantic Charter and the concept of the United Nations were embedded in this treaty, intimating plainly it can be enlarged if Roosevelt and his advisers are ready. Chances are any attempt to write the U. S. into any hard-and-fast agreement along similar lines would prematurely set off a bitter controversy that the President would just as soon postpone for the time being.

Eden's Ottawa Visit To Clear Relations

Eden breaks his talks soon to go to Ottawa to meet Prime Minister King, sit with the war cabinet and address Commons. You can't write this off entirely as a duty call on the capital of the King's first dominion, because Canada and Britain have some important subjects to talk over that also affect discussions under way in Washington.

One, is question of the international relief setup. Apparently no provision has yet been made for representation of Canada, one of the prime food sources. Britain sympathizes, but no one wants to start a United Nations controversy. Problem is to find a formula by which all interests can be reconciled. Perhaps Eden in Ottawa can devise one?

But the whole problem of Dominion representation, not just for relief but for other questions, may be discussed. If the United Nations are going—as they must inevitably—to set up more and more common councils, this question will arise more and more frequently and the Dominion's attitude needs to be better understood.

Even President Roosevelt sometimes assumes Britain speaks for her Dominions—as evidenced by his statement on his return from Casablanca that Churchill had pledged the Empire to help us finish Japan. This embarrasses British spokesmen. They know differently, but the average American still doesn't understand relations within the Commonwealth.

Postwar 'Planing Under Discussion

Proposals for a joint commercial airways and commercial shipping survey will be offered by the American section of the Canadian-American economic committee at the latter's meeting in Montreal this week end. Actually these two surveys have already begun with the Civil Aviation Authority and the Maritime Commission.

They try to project into the postwar era the present Canadian and American relations in both spheres. How successful these studies will be depends entirely upon whether the

(Continued on page 2, col. 5)

New Financial Post Year Book Includes Survey of Housing

Latest edition of The Financial Post Business Year Book, just off the press, contains a number of new features, including a survey of Canada's housing situation. In a census of dwellings in 27 cities of 30,000 population or over, figures are given for cooking, heating and lighting facilities, number of radio owners, number of telephones and electrical appliances, value of new buildings, and types of buildings used.

This is the 19th year the book has been produced. It covers market potentialities of 400 cities and towns under individual headings, presents federal and provincial breakdowns of industrial statistics in ready-reference form, and in general gives new and valuable information on Canada's people, resources, and production under wartime conditions. Data on Newfoundland is included.

Priced at $2 as usual, The Financial Post Business Year Book, 1943, is published by The MacLean Publishing Co., Toronto and Montreal, and holds particular interest for businessmen, speakers, librarians and educationists.

Social Security Proposals

The Marsh proposals represent a basis for discussion rather than a blueprint or programme for social security in Canada. They outline the existing situation; suggest methods by which the present situation may be improved or reformed "by transformation to a contributory social insurance basis," and indicate the principles to be considered if a comprehensive social security system is to be undertaken in the most effective manner.

Estimated cost of a complete social security programme such as would be embraced in the Marsh proposals is placed very roughly at $900 millions annually or 10 to 12½% of the national income.

Such a programme would include a strengthened unemployment insurance scheme; health insurance with medical service and care, and limited dental benefits; children's allowances; funeral benefits; disability and old age-survivors insurance and benefits; sickness cash benefits and maternity benefits.

Of the total cost it is estimated that approximately $500 millions would be borne directly by taxpayers. The balance, $400 millions would be collected in the form of contributions.

Estimated distribution of costs among employers, wage-earners, self-employed etc., is placed at:

75c to $1.85 per week per wage-earner;
75c to 90c per week for farmers, self-employed
90c per week from employers for each employee.

Highlights of the Marsh proposals (including a "national investment programme" estimated to embrace expenditure of a billion dollars of government money in the first postwar year) are as follows:

1. **UNIVERSAL RISKS** (to be financed entirely by federally collected contributions):

A. For All Insurable Population.

1. **Health Insurance:** Contributory scheme for medical and limited dental care, provincial administration, finances co-ordinated by federal government. Per capita costs estimated $16 and $24.

All gainfully occupied adult males, whether married or single, to contribute sufficient to cover two persons. Contributions by heads of family automatically provide medical care for each child. Contributions varying from no contribution by state for top range income brackets to full contribution for needy.

Amount of medical service received to have no relation to family income. Services to include general practitioner services, drugs, medicines, hospitals, nursing and convalescent care, X-ray, limited amount of dental care.

2. **Children's Allowances:** To be financed by Ottawa out of taxes and paid preferably to everybody.

Benefits: Up to 4 years of age—$5; 5 to 9 years—$6.50; 10 to 12—$8.00; 13 to 14, $10; 15 to 16—$12.50.

3. **Funeral Benefits:** To provide $100 for adults, $65 for juveniles and $25 for children. Total cost placed at $10.6 millions per annum.

B. For All Gainfully Occupied (and other adult dependents).

4. **Permanent Disability Pensions:** To be linked with federal contributory old age pensions and available to all gainfully occupied. Setting up collection machinery for contributions dependent on prior health insurance programme.

5. **Widow and Orphan Pensions:** Existing mother's allowances no longer needed under plan. Recommended:

(a) extension of mother's allowances to all provinces.
(b) ironing out of inequality between provinces.
(c) upward revision of rates.
(d) survivor benefits of $15 a month to orphaned children of insured persons. Orphans of non-insured persons to get allowances for children recommended in A2 above, supplemented by provincial or municipal payments.

6. **Old Age Retirement Pensions:** Standard rate of pension ($30 a month) suggested for single person, plus $15 a month for spouse. Industrial retirement schemes as supplement encouraged.

II. EMPLOYMENT RISKS

A. For All Normal Gainfully Employed:

1. **National "investment" programme:** Financed by tax revenue under federal direction and amounting to "at least a billion dollars in the first postwar year."

2. **Training and guidance facilities:** Financed by tax revenue and operated as federal or federal-provincial schemes.

3. **Unemployment Assistance Projects:** Federal Unemployment Aid administration to supplement present unemployment insurance coverage. Clarification of present and unresolved constitutional difficulties is recognized as the starting point.

B. For all employees:

4. **Unemployment Insurance:** All contributions for unemployment benefit to be transferred to employees. Dominion to continue to pay administrative costs. Increase the "differential" between single and married persons from 15% to an average of 33%, establishment of benefits as "a systematic standard to which all other contributory insurance could be linked."

5. **Sickness Benefits:** Contributory federal plan co-ordinated with unemployment insurance and the work of the National Employment Service.

6. **Maternity Benefits:** Payable 6 weeks before and after birth of a child at half the normal wages of recipient. Contributory, under federal administration through unemployment insurance machinery.

7. **Industrial Disability and Fatal Accidents:** Contributory insurance provincially administered through Workmen's Compensation Boards as at present. Suggestion is made that some method be found to include farmers and tradesmen.

See Security Proposal As Preliminary Sketch

(Continued from page 1)

tween the federal, provincial and municipal governments and preferably be preceded by a "straightforward amendment to the British North America Act in the same way as was done for unemployment insurance, to give the Federal Government full jurisdiction in the matter."

It is understood that it was this inability to resolve conflicting points of view on this basic question of health insurance which led the government to decide against introduction of the health insurance bill as a government measure. The plan which has now been adopted is to submit the health insurance draft to the House committee on social security and let the committee thrash the problem out in its own good time and manner.

As for the more pretentious but sketchy social security proposals of Dr. Leonard Marsh, it would be unfair to compare these with the Beveridge plan in Great Britain. Dr. Marsh and a group of associates have worked, at most, four to six weeks in the preparation of the 150-page document which bears his name.

Dr. Marsh himself admits that the broad outlines of the plan were laid down within a week. What has emerged is not so much a blueprint as a very rough but useful compilation of a lot of information about social security problems in Canada, with some broad suggestions as to how a programme should be approached and implemented.

How clearly Dr. Marsh has thought through the complex racial, geographic and financial problems of Canada in relation to social security, and to what extent he has merely attempted to graft on to the existing Canadian system the broad outlines of the Beveridge plan, will be indicated as a closer study of his proposals is made. One of his basic new proposals, which is certain to arouse considerable controversy, is the plan to introduce a system of children's allowances which would be payable as a matter of right for each child by the federal government and would be grafted on to the proposed health and other social security insurances.

Replaces Tax Allowance

In part, such a proposal would merely replace the present income tax allowance for dependent children, which amounts to about $108 for a year or $9 per month. The suggested rate of allowance for all children which would be paid as a matter of right, would be on a sliding scale varying from $5 per month for children up to four years of age, to $12.50 for those 15 to 16 years of age.

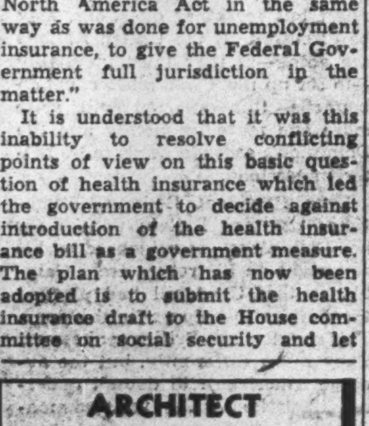
Dr. Marsh quotes liberally from the Beveridge report in urging state-supported contributory funeral benefits

He takes a rap at the extent to which he believes funeral costs are excessive in relation to services rendered. His chief reason for including this type of benefit (it ranks fourth on his priority list) is that it is simple and cheap to add to almost any scheme of wide coverage.

ARCHITECT

Architect with wide experience in Britain and Canada wishes to contact firm with a view to obtaining position as superintendent of buildings, or is willing to act in any capacity in which his services would be of use. At present responsible for important work which is nearing completion. Box No. 200, The Financial Post, Toronto.

ST. ANDREW'S COLLEGE



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ST. ANDREW'S COLLEGE AURORA ONTARIO

Steep Rock Completes Financing

In a letter to shareholders, Steep Rock Iron Mines announces completion of financing and other arrangements for placing its property in production and marketing its high-grade ores.

With the 20-day S.E.C. "lying in" period completed last Saturday, $2,250,000 of 5½% sinking fund debentures underwritten by Otis & Co., Cleveland, were offered Monday ($1,000 of debentures and 200 shares for $1,000 U. S.) and this was soon fully subscribed. Proceeds were expected to be received by Steep Rock Thursday, following which the Reconstruction Finance Corp. was to make $5 millions additional U. S. money available as needed.

Financing of loading terminal facilities by a $2.5 millions Dominion advance to the C.N.R., construction of a $1.6 million power line by Hydro Electric Power Commission from Port Arthur, a subvention of 20 cents a ton on the C.N.R. freight haul, full permission for the proposed programme, priorities—all these have been arranged, so the last obstacles barring a full-scale programme for reaching production about Aug. 15, 1944, have been removed. The property is to be equipped initially for two million tons a year with production to be brought to capacity as quickly as possible.

Besides the $5 millions 4% R.F.C. loan and the $2,025,000 proceeds of the debenture issue (all U. S. funds), Premium Iron Ores, Steep Rock's marketing agency, has guaranteed an additional $1 million, Canadian funds, if needed, to see the programme through to completion.

Highlights of the final financing arrangements, as arranged with Cyrus Eaton, Canadian-born founder of Republic Steel Corp., and his associates of Cleveland, are:

1. A marketing contract under which Cyrus Eaton and his associates (through Premium Iron Ores) guarantee marketing of 10 million tons of ore during the first 10 years of production with a minimum guarantee of 500,000 tons in any full season.

2. Steep Rock assured of the full price for its ore, and to control the sale of ore, whether in United States or Canada.

3. A total of 5,364,000 Steep Rock shares to be outstanding altogether after issuing 1,437,500 shares at nominal price of a cent a share to Premium Iron Ores to assure marketing of ore (perhaps the knottiest problem the company faced). Bonus shares issued re debenture issue total 562,500 shares.

Total financing of $8,727,500, Canadian funds, has involved giving up a 37% interest in the company.

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War and Business . . . . .

German Strength

This is the way Whaley-Eaton Service of Washington sums up the strength of the German Army at the conclusion of the Russian winter campaign:

"The great German war machine is still capable of delivering ponderous blows and can exact heavy casualties from enemies, but it is in the throes of creeping paralysis from which there is apparently no escape."

• • •

Russo-Jap Relations

The feeling seems to be growing in Washington and London that no change in Russo-Japanese relations is to be expected until Germany is beaten and the United Nations are prepared to turn their full weight against the Japs.

Some Russian ships laden with American freight, mostly food but including some war materials, are sailing through Japanese waters unmolested to Siberian ports. A little raw rubber, sold by Japan to Russia, is apparently coming to the States over the same route.

• • •

Weather Holds Key

While farm labor is an important factor in food distribution and there is an acute shortage of it, agricultural observers point out that the biggest factor of all is the weather. So far this has been extremely favorable in most sections where dairy and meat products are produced. Sufficient moisture is now in the ground to assure fodder crops (hay pasture, etc.) a good start. An early and warm spring, which would bring wintering crops along quickly and with little damage and permit outdoor work to be spread over the next three months instead of crowded into half that time, would now be welcome.

• • •

W.P.T.B. Fines

More fines were paid in the week to March 12 than in the previous week by offenders under W.P.T.B. rulings, the majority of infringements still being against rental regulations.

In Charlottetown nineteen persons paid from $5 to $1,000 for the latter offense, and nine others were charged and fined between $25 and $100 for offenses against gas rulings. In Montreal it is stated that new rental cases are being received at the rate of some 20 per day, and officials believe that one week may be set aside for the hearing of such cases only. In the past few weeks more than 850 have been heard. About 17% have favored the landlords.

In Winnipeg $25 and costs were imposed on a housewife for using coupons from a ration book which had belonged to a former maid in her employment.

In Ottawa 65 prosecutions were conducted by the Enforcement Division during the week, 53 involving W.P.T.B. orders and the remainder Controller orders. Twenty-two persons were fined for price ruling violations; nine for offenses in connection with hoarding and rationing; and charges were heard against 14 landlords and four agents.

Potato Note

Just to make sure that short-sighted Canadians will not do anything foolish, the authorities are keeping seed potatoes off the market in many parts of the country. Seed potatoes and the kind the consumer serves boiled, fried or hashed are practically identical so far as eating is concerned. However, only carefully bred, inspected, and preserved stock is retained for and legally sold as seed.

So short has the table stock become in recent weeks in certain Canadian cities, that the authorities are afraid that if seed supplies came on the market now they might be eaten. It is not likely, therefore, that this seed will appear much before planting time which is at least a month away yet in most parts of Canada.

• • •

Conferences

Advice from Washington points out that there is no overlapping in the coming conference on relief called by President Roosevelt and the one on postwar economic problems called by Undersecretary Sumner Welles.

The former will largely concern itself with the problem of feeding the starving peoples of the world and also possibly with postwar farm production, marketing and distribution. It may also discuss world crop planning.

The Welles conference, on the other hand, is purely economic, will concentrate on the problem of tariffs, reallocation and distribution of world raw materials, unemployment, etc.

Criticism of Newsprint Price Rise Unwarranted

(Continued from page 1)

aware of this. The A.N.P.A. privately investigated the situation and came to the conclusion that pulpwood was the crux of the paper situation and that the supply was not altogether satisfactory.

Without waiting for the scaling returns to come in, W.P.B. announced a second cut. Note that Canadian authorities never announced a second cut. Several Canadian manufacturers went on record publicly as being opposed to any further reduction in consumption.

There followed hurried meetings between officials of the W.P.B. and the W.P.T.B. and the announcement of the deferment of plans to curtail consumption further.

In Dec., 1941, Canadian and American manufacturers announced a price increase effective as from the following Apr. 1. That move was blocked by Leon Henderson, then head of the Office of Price Administration. Later another attempt was made to secure an adjustment based on higher transportation charges. Due to representations of publishers, the move was unsuccessful. The O.P.A. made its own investigation into Canadian cost figures. Through the Wartime Prices and Trade Board, the costs of the individual mills were submitted to the O.P.A. Every major publisher in the United States knew of these negotiations, it is stated. Finally, when it became clear that Canadian manufacturers were not getting a new dollar back for each old one spent, Ottawa itself took a hand. Negotiations with the O.P.A. came to a head last month with the announcement of a $4 a ton price increase.

Put mildly, Canadian manufacturers are disappointed. They attribute the smallness of the increase to political pressure on Washington by certain American publishers. Even Donald Gordon, head of the W.P.T.B., has expressed dissatisfaction. His opposite number in Washington, Prentiss Brown, has admitted the strength of the Canadian case.

The newsprint price matter is by no means closed. Canadian manufacturers have told and retold their story. They continue to tell it, are redoubling their efforts to secure what they consider an equitable price for their product.

Every publisher of any consequence, and particularly the 421 members of the American Newspaper Publishers Association have been kept posted in the greatest detail on the newsprint situation. For more than a year salesmen of the Canadian newsprint manufacturing companies have done little else but go around among their customers to tell them of the supply situation and the inevitable effects of higher costs on newsprint prices, it is pointed out.

If any American publisher did not want to believe what his own association or supplier told him (even Washington officials have taken time out to issue warnings) then they were emulating the ostrich, the newsprint producers state. Many American publishers have expressed themselves to Canadian operators as being in favor of a higher price for newsprint.

It is stated they have admitted that costs of manufacturing and shipping have risen very considerably since the $50 a ton price was established at the beginning of 1938. They have not agreed with operators in their demands for an $8 to $10 a ton increase, but they did recognize and admit that an adjustment was not untimely.

Canadian authorities suggest that confusion surrounding the issue of control of paper production is increased by the contention of some interests in the United States that, because newsprint uses less wood per ton than do fine papers and specialties, and that wood is the real cause of scarcity, newsprint should be left alone and other types of paper reduced. Such at least is the clear implication of some recent pronouncements.

Writing paper does require more wood than newsprint per ton of paper produced. If all new pulp is used, fine paper requires about two cords of pulpwood to a ton of paper; newsprint requires about 1¼ cords of pulpwood per ton of paper.

But trade sources in Canada tell The Post that many fine paper makers use large amounts of waste paper and keep their consumption of woodpulp down to about the same proportion as the newsprint industry, hence make no greater strain on the pulpwood supply than any other branch of the industry.

It is also emphasized that the real reason for the great increase in demand for fine papers lies in the tremendous growth in official reports, documents, and questionnaires and in enormous increase in use of letter papers due to wartime conditions.

Magazines and other publisher users of book papers have not experienced gains in their requirements nearly comparable to that note in the two classes of uses mentioned.

That this is the case is recognized by Representative Dondero of Michigan who seeks to have the U. S. Congress appoint a seven-man committee "to see whether there has been any curtailment in the amount of printed matter sent out by the government." Rep. Dondero is concerned by moves toward curtailment of newsprint use and wants to know if there is any justification for curtailment orders.

Eden's Mission Rated Success

(Continued from page 1)

committee can translate its deliberations into action.

Meanwhile the joint committee is pressing ahead on its survey of possibilities for joint Canadian-American development of northern British Columbia, the Yukon and Alaska. A meeting in Seattle under auspices of the national resources planning board will take place in April with British Columbia delegates attending. Harvard University this summer will undertake a plant survey of territory adjoining the Alaska Highway to see whether airway settlements can be made self-supporting in the matter of root vegetables to cut food transport demands.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Municipal—							
Hull, P.Q.	Mar.	A. E. Ames & Co.	4%	20-yr.	$95,000	98.75	.....
Provincial—							
Manitoba	Mar.	Privately	3½%	1944-58	1,500,000	.....	.....
Dominion—							
Canada Treasury Bills	Mar.			June 18, '43	55,000,000	99.886	.498%
Canada Deposit Certificates	Mar.	Chartered Banks	¾%	Sept. 14, '43	130,000,000	100	.....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

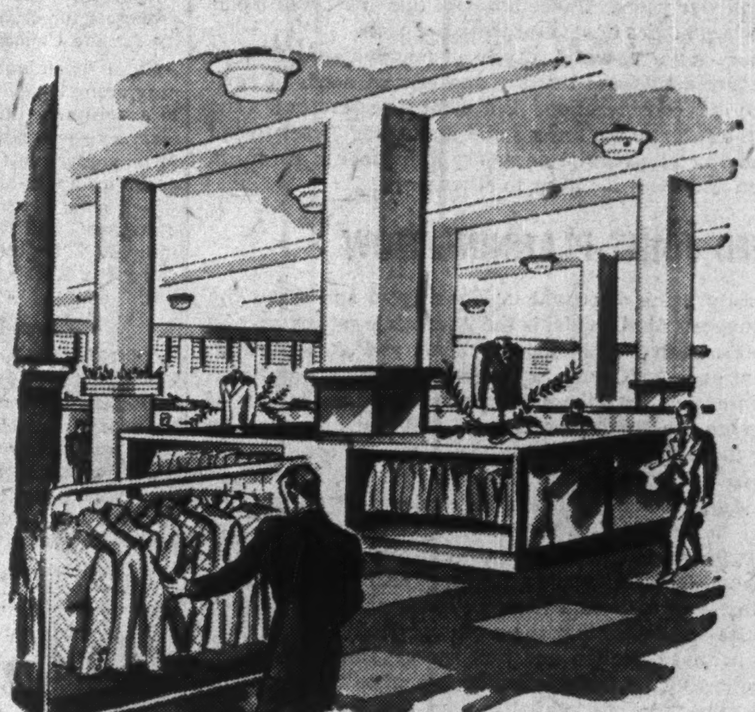
Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Fabrique St. Thomas d'Aquin de Montreal	Mar.	Credit Interprovincial	4%	.....	$150,000	*$100	.....

*Offering price.

WAR-TIME DUTIES OF CITIZENSHIP

So great are the financial duties imposed by war that every citizen must resort to drastic, systematic, determined *saving*. To help you, the Bank of Montreal offers a Special Savings Account, in which to deposit every pay-day the right proportionate amount to cover war obligations when due.

BANK OF MONTREAL
"A Bank Where Small Accounts Are Welcome"
Modern, Experienced Banking Service ... *the Outcome of 125 Years' Successful Operation*
A 186



If it's a question of clothes you'll find the right answer at

"THE STORE FOR MEN"

Whatever you need in clothes — whether you need a suit for business, for travel, for evenings out or for "round the clock" wear — a serviceable topcoat or a well-tailored all-weather coat — you'll find at Simpson's a wide selection of fabrics, patterns and styles that will greatly help you in making a suitable choice, as well as a sales staff with a background of experience to direct you to the best, most practical "buy."

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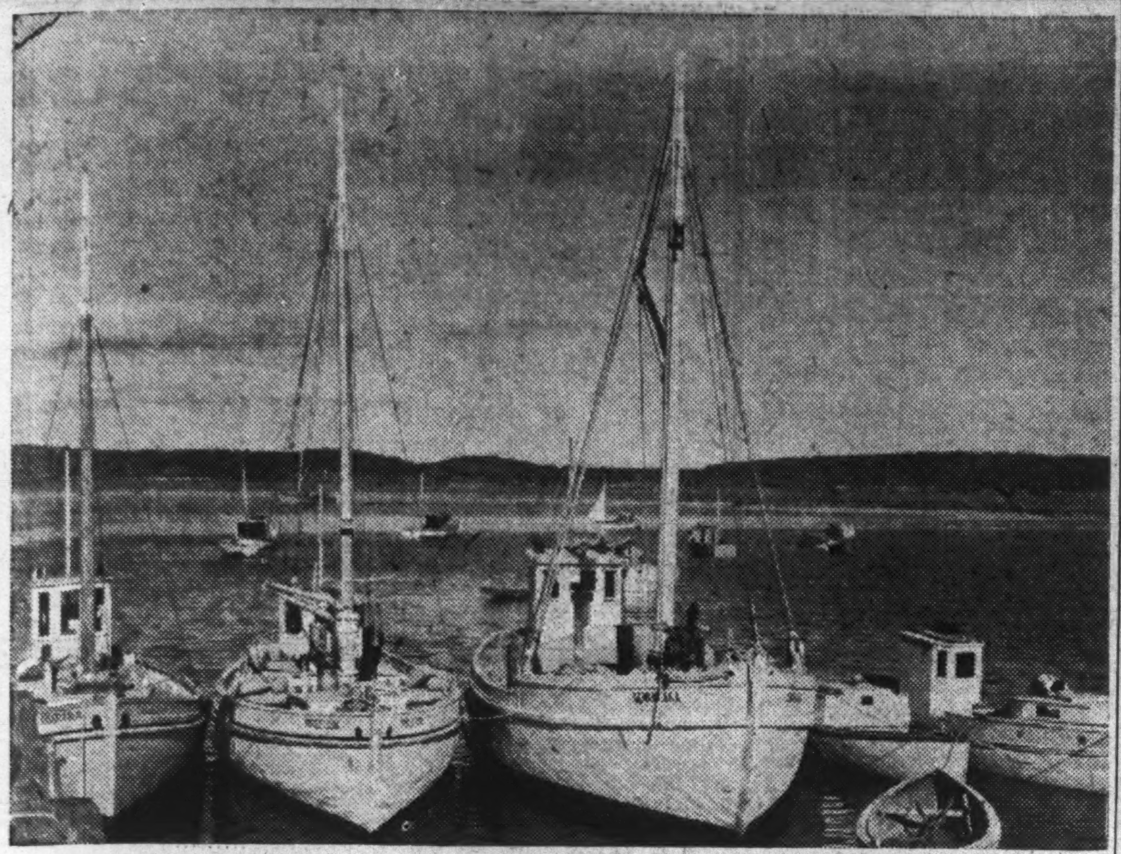
CANADA WIRE & CABLE CO.

OFFICES IN PRINCIPAL CITIES FROM COAST TO COAST



Under wartime pressure for production Canada's Atlantic fishing industry has gone modern, is adopting new methods and such new equipment as "draggers"—small editions of the "trawlers" fishermen bucked for so long. The sweeping changes may bow out of the scene the picturesque schooners of the Atlantic fishing fleet and see them replaced by more modern craft.

Fishing Turns Modern

(Continued from page 1)

quite inadequate, in the face of the increasing food demands from the United Nations and the increased domestic consumption.

"In the case of salt fish, Canada, Newfoundland and Iceland now have the responsibility of meeting the needs of all the non-enemy parts of the world, whereas, in peacetime, there was big production of salt fish in several other countries, most notably Norway.

"Then, too, as you know, a fish-eating country like Britain has to look to us now for frozen and canned fish. Britain's own fish production was affected immediately by the war, of course, and the war has also closed other sources of peacetime supply.

"In 1941, Canada supplied two thirds of our canned salmon to the United Kingdom, and practically our whole output of Pacific canned herring. The figures were about 72 million pounds of salmon and 75 million pounds of herring.

"Last year we sent Britain roughly 81 million pounds of canned salmon and 60 million pounds or so of canned herring. We also supplied frozen cod fillets to the United Kingdom, although the production and demand situation which developed on this continent prevented us from sending Britain more than a comparatively small portion of the quantity that was really wanted.

Meat Shortage

"Another factor in placing strain on the fishing industry has been the shortage in meat supply from time to time as a result of the need for large shipments to the United Nations and the requirements of the armed services. With less meat available, there has naturally been increased use of fish, which has added, of course, to the normal fish demand.

"One of the problems of the industry," the minister continued, "arises from reduction in manpower. When the war broke out, many fishermen went into the navy and the other armed services and into the merchant marine. Enrollments have gone on. Since food supply is assuming such importance in the cause of the United Nations it may become necessary to take some action with respect to fishermen similar to that taken in the case of farmers, so as to assure at least the maintenance of fisheries production, if not its increase.

"However, we have also been tackling this manpower problem in other ways. For instance, on the Atlantic coast a scheme has been put in operation in which the government gives financial assistance toward the construction of 'draggers,' a productive type of vessel but one not hitherto used by our Atlantic fishermen. Under this scheme the government pays a subsidy of $165 a gross ton on the construction of draggers meeting the prescribed terms.

"The subsidy has been calculated as broadly equal to the difference between present construction costs and pre-war costs. Subsidized vessels must be at least 72 feet in length and must measure up to steamship inspection requirements. In tonnage, vessels of this kind will average roughly 100 tons.

Equipment Difficulties

"Unfortunately, because of other war needs for such equipment, it has been difficult to obtain the engines required in carrying out the dragger construction plan and this has made for delay. However, we are hopeful that this situation will improve. Incidentally, we are also assisting by subsidy in the construction of Pacific Coast fishing vessels, although they are not of the dragger type.

"The dragger, like the trawler, fishes by means of a net which it pulls or 'drags' along the sea bottom. Unlike the trawler, however, it is built of wood, not steel, and its cost is not so high as to put its construction out of the reach of small combined groups of fishermen.

"These small draggers have been in use for some years in United States and Europe but we haven't had them in our Atlantic fisheries. Fewer men are required to operate one of them than would be needed on the ordinary fishing schooner in our eastern fisheries and since dragger fishing is done from the vessel itself and not from dories, as is the case with most of the schooners, its production is less likely to be interrupted if weather becomes unfavorable. Both these factors, of course, serve to increase the productive capacity of the available manpower.

"Long Lining"

"The department is also seeking to make manpower more effective on the Atlantic coast by introducing there a method of fishing called 'long lining' which is used by the Pacific halibut fleets and is suitable for taking other groundfish such as cod and haddock. Simply defined, and without going into the various details, long lining is the device of laying a very long line—a mile or even more—on the bottom of the sea.

"The line, with hundreds of baited hooks attached to it, is played out over the stern of the vessel, and after being left in position in the water for the length of time the fishermen's experience suggests, it is hauled in again by mechanical gear and the fish are taken from the hooks."

Long lining would take the place of the ancient practice of "line-trawl fishing," and "hand lining," to which Canada's Atlantic fishermen have clung since early days and in which fishermen put out from the mother ship in dories and set their gear by hand.

Not Tried Before

Mr. Bertrand said that he did not understand why the eastern fishermen had not adopted long lining before this. "But because they have not tried it, and because of the increasing production need, the department is having a vessel constructed for long lining operations on the east coast and will use it to demonstrate this method of fishing to the fishermen in different districts and to show its effectiveness. We hope to have the vessel in service by June. It will be put in charge of a man who not only knows the east coast but has had experience in west coast long lining."

Fishing Paradox

For years before the war, French, American, Portuguese and Italian fishermen had operated trawlers on fishing banks off Canada's eastern coast. Our own fishermen, fishing the same banks with hand-set lines, were in the position of farmers cutting grain with hand scythes while their neighbors used modern combines. Only Canada's proximity to the banks enabled the fishermen to continue with these outmoded methods; had all factors been equal they could not have survived the efficient competition of fishermen of other nations.

The price Atlantic fishermen received for cod before the war was, say, 1¼ to 1¾ cents per pound. It is now about five cents. There has been a more or less similar improvement in the prices of other fish.

On the west coast prices have increased substantially, though not quite in the same ratio, since, in general, they had been on a higher scale to start with.

Mr. Bertrand realizes that the new wartime prosperity of the fishing industry will be difficult to maintain when peace comes, when other nations get back in the business, and when factors now causing special demands upon Canadian production have disappeared. Realizing this, he is already busy with postwar plans.

One possibility he sees is that of raising domestic consumption of fish. Per capita consumption in Canada is only 20 to 23 pounds a year, as compared with 50 to 55 pounds in Britain and 60 pounds in peacetime Norway. Mr. Bertrand's feeling is that with the right kind of handling and marketing, fish can be brought into much greater use in the Dominion.

In Your Opinion

Wanted—New Name For "Pro-Cons"

THE QUESTION: "What short, popular name can you suggest for the Progressive Conservative Party, and why do you consider this appropriate?

John Bird

Editor, Winnipeg Tribune, Winnipeg.

You could not sink a truly progressive party under John Bracken even by hanging the appalling label "Pro-Con" around its neck. It might even react like the tin lizzie jokes on Ford motor sales. "Pro-Con" is more accurate but cacophonous. The intials PC, suggesting Privy Council or Police Constable, is uninspiring. PCP for Progressive Conservative Party has alliterative value and headline conciseness. Personally I would prefer just plain "Progressive" and so would many other westerners.

Cheer up. Just wait awhile and we will all be calling it the "Bracken party" just the way we referred to the "Bracken coalition" in Manitoba.

* * *

R. J. Deachman

Former M. P. for Huron, writer and speaker on economic subjects, Ottawa.

Name the baby before it is born if you are in a hurry about it, but the name of a political party should reflect its character and that can be known only after a period in office. I suggest, therefore, christening be postponed until parents are sure whether it's a boy or girl.

A poor name might ruin even a good party while a good one might make a bad party win. Neither people nor statesmen can now take chances. My advice is to wait and see.

* * *

W. A. Dunlop

Editor, Standard, Forest, Ont.

"Canada First" is the name we would suggest. Let's get away from sectional parties such as progressive, U.F.O., Social Credit, C.C.F., Labor, etc., or any combination of the same. Let it be Canada first at all times and we will have a better country to spend our days.

* * *

Jean-François Pouliot

Member for Temiscouata, in the House of Commons.

Is there in Parliamentary language a "short, popular name" for the Progressive Conservative party? Why not suggest the word "amphibious?" Do you really think that a divorce bill will be necessary for the release of progressives, if any, from conservatives, even before the next general election? You know full well that no act of Parliament has yet provided for the guard and welfare of children of divorced parents.

* * *

H. E. Rice

Editor, Huntsville Forester, Huntsville, Ont.

The term "Progressive Conservative" is an anomalous and contradictory one and was poorly chosen in the first place. If "Progressive" signifies action, then "Conservative" signifies the opposite to action, and how are the two, as one, to be clarified? I suggest that the word "Conservative" be dropped entirely. It had its place in the days of Brown and Macdonald, but it fits very awkwardly into the publicly declared programme of Hon. John Bracken.

Call the new party (for it virtually is a new party) the Progressive Party of Canada. Even if this involves a nominal duplication of meaning with the term "Liberal," it more clearly denotes the new spirit which John Bracken inculcates within the old-time Conservative party.

* * *

C. Smart

Morden Times, Morden, Man.

Progressive Conservative is too unwieldy a name to find favor with the average elector, but it is difficult to suggest one, short and snappy, which would catch the attention of the general public. Tory is a good old English name associated with the Conservative party and pro-Tory has an element of brevity about it which is what is wanted. I believe, however, that objections would be raised by members of the old party towards dropping the word Conservative or abbreviating it in any form, and the name should be retained at all costs and perhaps Pro-Conservative would be as good a name as any.

* * *

C. L. Willis

The Independent, Stettler, Alta.

I could suggest no better name than Progressive Conservative. It is based on two concepts which are complimentary to each other, namely change and stability in our machine age.

The internal combustion engine is based on the stable principles of mechanics, yet the automobile and the airplane have shown a wide progressive development, so in politics the Progressive Conservative programme should be based on the stable foundation of our well-tried democratic institutions, including regulated free enterprise. Superimposed on this foundation there should be a progressive platform of social security and of economic quality for agriculture, hence name is appropriate.

If You Are An Heir . . .

If you are an heir to an estate where there is no will, consult the Crown Trust Company. This company offers thoroughly experienced, prompt and economical services to assist in the settlement and management of estates for the benefit of the heirs interested therein.

A discussion as to our services and charges is invited without placing you under any obligation.

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HOWARD A. EATON, *Manager*

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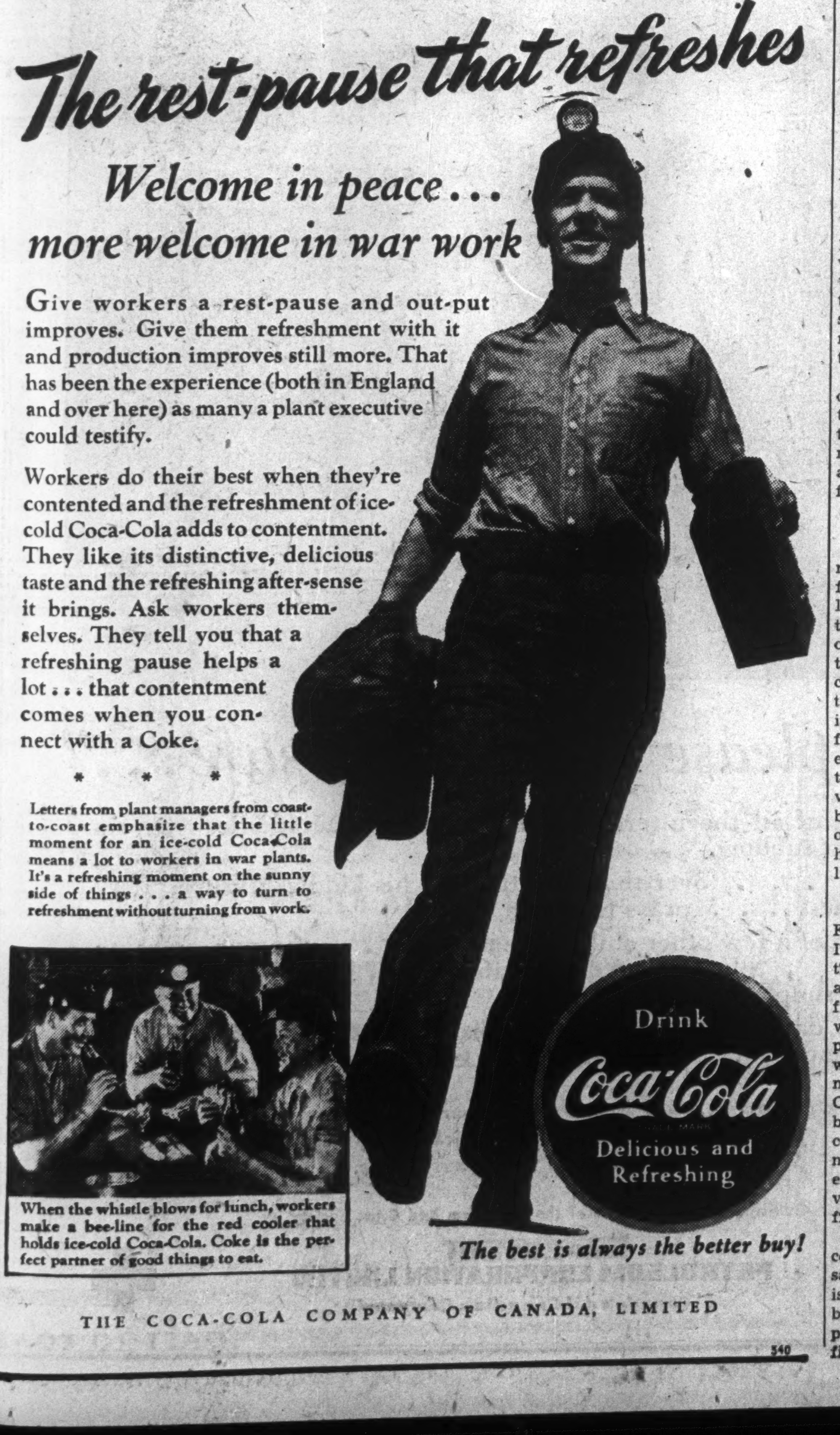
Wing your way to a hi-speed duplicating record with Script Mimeo Bond. This fuzz-free stock is made for smooth performance—won't pluck, won't clogg, won't buckle. Will save time and paper and see you through to a flying finish on any duplicating job.

Order Script Mimeo Bond, Provincial's free-running mimeographing stock, from any leading dealer. Take your choice of white, blue, green, buff or pink.

FOR A NON-STOP RUN, PUT IT ON SCRIPT MIMEO Bond

A PROVINCIAL PAPER



The rest-pause that refreshes

Welcome in peace . . . more welcome in war work

Give workers a rest-pause and out-put improves. Give them refreshment with it and production improves still more. That has been the experience (both in England and over here) as many a plant executive could testify.

Workers do their best when they're contented and the refreshment of ice-cold Coca-Cola adds to contentment. They like its distinctive, delicious taste and the refreshing after-sense it brings. Ask workers themselves. They tell you that a refreshing pause helps a lot . . . that contentment comes when you connect with a Coke.

* * *

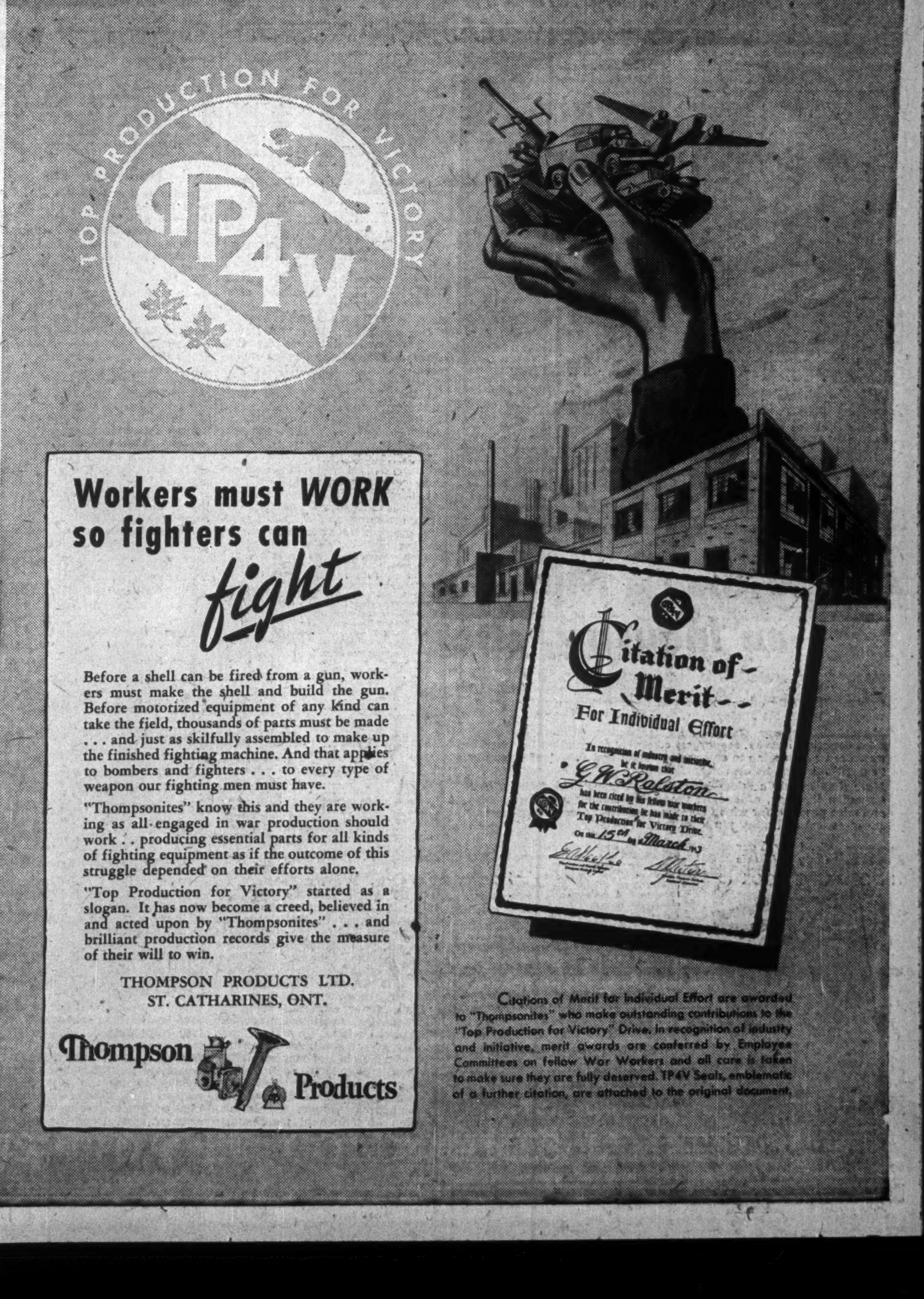
Letters from plant managers from coast-to-coast emphasize that the little moment for an ice-cold Coca-Cola means a lot to workers in war plants. It's a refreshing moment on the sunny side of things . . . a way to turn to refreshment without turning from work.

When the whistle blows for lunch, workers make a bee-line for the red cooler that holds ice-cold Coca-Cola. Coke is the perfect partner of good things to eat.

The best is always the better buy!

THE COCA-COLA COMPANY OF CANADA, LIMITED

540



Workers must *WORK* so fighters can *fight*

Before a shell can be fired from a gun, workers must make the shell and build the gun. Before motorized equipment of any kind can take the field, thousands of parts must be made . . . and just as skilfully assembled to make up the finished fighting machine. And that applies to bombers and fighters . . . to every type of weapon our fighting men must have.

"Thompsonites" know this and they are working as all engaged in war production should work . . producing essential parts for all kinds of fighting equipment as if the outcome of this struggle depended on their efforts alone.

"Top Production for Victory" started as a slogan. It has now become a creed, believed in and acted upon by "Thompsonites" . . . and brilliant production records give the measure of their will to win.

THOMPSON PRODUCTS LTD.
ST. CATHARINES, ONT.

Thompson Products

Citations of Merit for Individual Effort are awarded to "Thompsonites" who make outstanding contributions to the "Top Production for Victory" Drive. In recognition of industry and initiative, merit awards are conferred by Employee Committees on fellow War Workers and all care is taken to make sure they are fully deserved. TP4V Seals, emblematic of a further citation, are attached to the original document.

Company Reports

Industrials Show Few Profit Gains

Earned Per Common Share	1942 $	1941 $
Borden Co.	1.91	1.88
Canada Steamship Lines	3.25	3.26
Canadian Celanese	3.11	4.19
Canadian General Electric	8.83	12.57
Canadian General Investments	0.71	0.68
Canadian Industries	6.03	7.22
Canadian Westinghouse	2.82	2.60
Corrugated Paper Box (Pref.)	16.52	16.13
Dominion Tar & Chemical	1.05	0.94
Fanny Farmer Candy	2.24	2.72
Ottawa Light, Heat & Power	0.95	0.46
Quebec Telephone & Power	1.05	0.60
Reliance Grain (Pref.)	13.19	15.29

Canada Steamship Lines

Canadian Steamship Lines' report for 1942 reveals a further expansion in earnings. After senior charges, including taxes, net profits were almost identical with those reporting in the preceding year, $6.76 a share on the preferred and $3.25 a share on the common.

Balance sheet indicates an improvement in working capital, with the principal changes in cash and call loans, government bond holdings and accounts receivable.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating revenue	$18,756,658	$17,046,734
Add: Other income	237,323	197,072
Total earnings	18,993,981	17,243,806
Less: Exec. remun.	78,000	75,194
Directors' fees	14,540	13,930
Legal fees	10,554	3,015
Depreciation	1,824,766	1,630,245
Interest	593,390	595,160
Inc. & E. P. taxes	*3,490,000	2,800,000
Oper. expenses	11,433,742	10,574,707
Net profit	1,548,989	1,551,555
Less: Pref. divds.	573,125	573,125
Surplus for year	1,331,864	978,430
Add: Prev. surplus	1,760,430	782,000
Refund. port. E.P.T.	356,000	......
Earned surp. fwd.	3,092,294	1,760,430
*Includes refundable portion of $356,000.		
Earned per share:		
Preferred	$6.76	$6.77
Paid	2.50	2.50
Common	3.25	3.26
Working capital	$4,234,853	$3,334,412
Balance Sheet Changes		
Cash	$2,729,220	$2,548,979
Call loans, etc.	2,500,000	2,005,000
Govt. bonds	2,963,691	1,314,687
Accts. receivable	2,528,125	977,581
Funded debt	11,630,000	11,659,500

Laprairie Co.

Laprairie Co. reports operating profit in 1942 of $60,681, as against $63,157. After providing for bond interest, the balance was written off for depreciation. Similar steps were taken in 1941.

The balance sheet shows an improvement in position, with net working capital up 50%.

In his report to the shareholders, C. G. Greenshields, president, reports restrictions resulting from the war have adversely affected business which normally would be expected from private construction. Industrial construction, he added, continued in reasonable volume.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$ 60,681	$ 63,157
Less: Interest	20,310	20,310
Depreciation	40,371	42,847
Surplus	......	......
Working capital	$ 307,195	$ 201,048
Balance Sheet Changes		
Inventories	$ 199,668	$ 137,918
Investments	66,999	6,936
Bonded debt	338,500	338,255

Reliance Grain

Net profit of Reliance Grain Co. and its subsidiaries was $263,743 in the year ending Dec. 31, Sidney T. Smith, president, reported in the annual statement. Earned surplus increased by $16,343 to $968,232 after payment of preferred dividends to the equivalent of five quarters to adjust arrears and writing off refinancing expenses previously shown at $115,000.

Consol. Inc., Surplus—Years Ended December 31	1942	1941
Operating profit	$912,576	$891,884
Add: Other income	3,085	9,948
Total earnings	915,661	901,832
Less: Bond interest	45,000	47,400
Directors' fees	720	700
Executive sals.	111,125	109,578
Depreciation	210,573	210,353
Income, E. P. tax	284,500	228,000
Net profit	263,743	305,801
Less: Pref. divids.	162,498	162,498
Surplus for year	101,244	143,303
Add: Prev. surplus	951,888	746,466
U.S. subsid. profit	30,595	62,119
Less: Refin. bonds w/o	115,497	......
Surplus forward	968,232	951,888
Earned per share, pfd.	$13.19	$15.29
Paid*	8.12	8.12
Common (no pay't)	1.33	1.76
Working capital	$1,463,547	$1,317,233

Fanny Farmer

Sugar restrictions and other shortages have made it impossible to supply the entire demand, John D. Hayes, president of Fanny Farmer Candy Shops, Inc., states in the annual report, for 1942.

To meet the shortage, shopping hours were reduced during the year, and customers requested to buy in smaller quantities. Taxes in 1942 were up from $720,000 to $2,275,000. Net profit was $797,803 against $977,835 in 1941. During the year 14 shops were closed as leases expired. Inventories increased to $1,335,942 from $846,370 a year ago.

Income, Surplus—Years Ended Dec. 31	1942	1941
Total sales	$13,856,125	$10,800,429
Less: Cost of sales	10,521,095	8,700,057
Admin. expenses	373,712	302,941
Operating profit	2,961,317	1,797,431
Add: Disct. & exch.	44,500	41,528
Misc. income	66,986	53,876
Net income	3,072,803	1,892,835
Less: Tax provision	2,275,000	720,000
Inventories prov.	......	70,000
Bonds prov.	......	20,000
Leases prov.	......	100,000
Insurance prov.	......	5,000
Net profit	797,803	977,835
Less: Dividends	622,613	635,366
Surplus on year	175,190	342,469
Add: Prev. surplus	1,774,269	1,543,842
Less: Com. shs. purch.	76,587	112,042
Surplus forward	1,872,872	1,774,269
Earnings per share	$2.24	$2.72
Paid	1.75	1.75
Working capital	$1,592,127	$1,315,291

Quebec Telephone

Quebec Telephone & Power Co. reports a further expansion in operating revenue during 1942, while net profits were equivalent to $1.05 a share, as against 60 cents a share the year before.

During 1942 the company experienced a net increase of 6.6% in the number of installed telephones, which now number 4,810. It spent $77,624 on capital account. This was made necessary by the installation of additional equipment for the army and to handle the increased long-distance toll traffic.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating revenues	$ 255,901	$ 221,989
Other revenues	7,087	9,074
Gross income	262,988	231,063
Less: Oper. expenses	155,497	144,151
Bond interest	17,973	18,250
Bond disct. amort.	2,475	2,576
Depreciation	47,151	44,367
Surplus	48,892	21,719
Previous surplus	18,747	5,845
Less: Adjusts.	14,367	8,817
Surplus forward	44,272	18,747
Earned on A	$1.05	$0.60
Working capital	*$14,656	$54,076
*Excess of liabilities.		
Balance Sheet Changes		
Plant	$1,518,999	$1,453,761
Investments	184,858	157,719
Supplies, etc.	61,517	34,049
Bonded debt	359,000	364,500
Bank loan	40,000	16,000
Demand loan	25,000	......

Canadian Celanese

Canadian Celanese Co.'s report for 1942 shows a further expansion in revenues to nearly $5.2 millions, as against $4.5 millions in 1941, but after tax provision, etc., earnings on the common stock at $3.11 a share, compared with $4.19 a share the year before.

Financially the position of the company strengthened last year, working capital showing a good increase. Cash was down, but offsetting this was an increase in government bonds and inventories.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$5,051,845	$4,418,736
Add: Other income	106,850	110,637
Profit on rights	6,913	7,021
Less: Loss on bonds	250	1,200
Total earnings	5,165,158	4,525,195
Less: Exec. remun.	128,060	129,240
Directors' fees	5,940	5,960
Legal fees	8,045	6,925
Depreciation	508,249	484,639
Interest	65,714	69,897
Inc. & E.P. taxes	2,485,000	1,800,000
Patent amort.	67,535	66,992
Inventory reserve	10,000	66,000
s/f on rights	55,686	52,503
Refund. port E.P.T.	225,000	......
Net profit	1,624,929	1,853,039
Less: Pref. divds.	815,000	760,000
Common dividends	520,818	520,818
Surplus for year	289,111	572,221
Add: Prev. surplus	3,399,744	2,827,523
Adjustments	12,469	......
Earned surplus fwd.	3,701,324	3,399,744
Earned per share:		
Preferred	$16.24	$18.53
Paid	8.15	7.60
Common	3.11	4.19
Paid	2.00	2.00
Balance Sheet Changes		
Working capital	$5,602,783	$4,915,907
Cash	$1,909,409	$3,341,550
Investments	2,546,424	1,234,424
Accounts receivable	947,345	783,982
Inventories	2,094,808	1,801,276
Income rights, no.	65,714	69,897

Ottawa Light

Ottawa Light, Heat & Power Co.'s financial statement for 1942 shows a slight improvement in operating profit. Due to lower provision for depreciation which offset the increase in income taxes, net profits were higher. Earnings on the common stock totalled 95 cents a share, as against 46 cents a share the year before.

The balance sheet shows net working capital well maintained despite capital outlay of $335,480. The main expenditures were for two 4,000-kilowatt substations, together with incoming and outgoing feeders, required to meet the demands on the distribution system.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$1,047,838	$1,012,510
Less: Exec. salaries	22,590	22,393
Legal fees	734	339
Directors' fees	1,916	1,675
Add: Other income	4,328	1,564
Total income	1,026,926	989,667
Less: Depreciation	352,780	395,378
Munic. & prov. tax.	146,678	152,802
Bond interest	175,872	179,568
Premium on bonds	10	848
Tax provision	134,516	111,456
Net profits	217,070	149,615
Less: Pref. divids.	85,000	85,000
Common divids.	83,965	83,964
Surplus for year	48,105	*19,349
Add: Prev. surplus	†471,220	496,691
Surplus forward	519,325	477,342
*Deficit. †Adjusted.		
Pfd. share earns.	$12.76	$8.80
Paid per share	5.00	5.00
Common share earned	0.95	0.46
Paid on common	0.60	0.60
Working capital	$355,416	$382,622
Balance Sheet Changes		
Cash	$ 140,493	$ 226,892
Investments	295,000	199,644
Funded debt	4,423,000	4,508,000

Can. Westinghouse

Total orders received and sales billed by Canadian Westinghouse Co. in 1942 were substantially higher than in 1941 and for the second consecutive year established a new peak in the company's history. Backlog of orders carried forward into 1943 was also highest in the company's history.

Demand for electrical apparatus for war use continued unabated. Increased volume, however, was largely due to coming into production of a number of war specialties previously only in the tooling-up or pilot stage. Volume of these deliveries is expected to increase this year. Loss in volume due to suspension of household merchandise lines and curtailment of many civilian outlets for electrical apparatus was more than offset by war production.

Sales in the air-brake division were less than in 1941, but a large carryover of business is reported for this year.

Further reduction in sales outlets for many regular products is anticipated this year. Tooling-up stage for Canadian war production is about completed and further plant expansion is to be restricted. This trend is expected to result in a decline in sales of the company's normal products. Attention is drawn also to possibility that shifts in war requirements may mean lessened demand for certain pieces of equipment now in heavy demand.

The company has transferred the $475,000 refundable portion of EPT to its postwar rehabilitation reserve which now stands at $1.1 million.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$7,896,986	$5,828,280
Add: Other income	120,975	199,198
Total earnings	8,017,961	6,027,478
Less: Exec. & legal	130,180	118,733
Directors' fees	23,000	23,000
Depreciation	1,472,061	667,433
Inc. & E. P. taxes	*4,755,000	3,450,000
Pension fund	100,000	100,000
General reserve	......	250,000
Net profit	1,537,720	1,418,312
Less: Com. divds.	1,092,000	1,092,000
Surplus for year	445,720	326,312
Add: Previous surplus	6,864,461	6,538,149
Earned surplus fwd.	7,310,181	6,864,461
*Includes $475,000 refundable E.P.T.		
Earned per share:		
Common	$2.82	$2.60
Paid	2.00	2.00
Working capital	$11,094,060	$10,165,086
Balance Sheet Changes		
Cash	$2,769,280	$2,492,381
Investments	4,801,766	5,437,286
Inventories	10,750,754	8,750,578

Can. General Electric

Volume of both orders received and production in 1942 was largest in the history of Canadian General Electric Co., D. C. Durland, chairman and president, reports. Operations embrace a wide variety of war materials and equipment, as well as regular electrical and equipment goods essential in the operation of war industries.

Net profits after income taxes, but before deducting the refundable portion of excess profit taxes, were 6.1% lower than in the previous year.

Capital expenditures in 1942 for additions and improvements to manufacturing plants, offices and warehouses amounted to $1,722,968.

Financial position underwent further strengthening last year. Cash and government bonds are considerably in excess of total current liabilities. Payments into the pension trust last year totalled $415,000, making a total of $1.7 million paid to date by the company into this fund.

Consol. Income, Surplus—Years Ended December 31	1942	1941
Operating profit	$10,170,355	$10,012,162
Add: Other income	801,930	1,100,206
Total earnings	10,972,285	11,112,368
Less: Exec., legal	118,889	134,313
Directors' fees	10,973	10,959
Depreciation	1,764,971	1,137,540
Inc. & E. P. taxes	*6,045,000	6,600,000
Working reserves	1,250,000	750,000
Net profit	1,782,452	2,479,556
Less: Pref. divids.	115,000	105,000
Common divids.	1,510,760	1,510,760
Surplus for year	156,692	863,796
Add: Prev. surplus	10,519,307	9,655,511
Refund. E.P.T.	545,000	......
Earned surplus fwd.	11,220,999	10,519,307
*Including $545,000 as refundable E.P.T.		
Earned per share:		
Common	$8.83	$12.57
Paid	8.00	8.00
Working capital	$18,695,983	$17,197,801
Balance Sheet Changes		
Cash	$3,400,875	$4,415,356
Govt. bonds	8,945,982	8,957,061
Accounts receivable	5,588,532	6,384,512
General reserve	8,880,714	7,696,734
Fixed assets	20,674,227	19,336,209
Less: Depreciation	11,807,714	10,374,332

Dominion Tar

Dominion Tar & Chemical Co. reports higher operating revenues in 1942, and after larger provision for depreciation and taxes, net profits available on the common stock amounted to $1.05 a share, as against 94 cents the year before.

Further improvement in balance sheet position was recorded last year. Debentures outstanding were reduced by a third, while the balance of Industrial Minerals preferred shares was retired. Alberta Wood Preserving preferred was reduced during 1942 and at the beginning of this year, the whole issue was retired.

In his report to shareholders, Lionel O. P. Walsh, president, says that late in 1942 shortages of materials and labor became more pronounced. "This condition," he added, "is not expected to improve and together with anticipated lower volume of construction throughout the country, will reflect on your company's business."

Income, Surplus—Years Ended Dec. 31	1942	1941
Total earnings	$3,146,213	$2,416,050
Less: Exec. remun.	101,624	101,556
Directors' fees	4,716	5,368
Legal fees	21,001	16,128
Depreciation	734,480	475,000
Interest	171,325	178,325
Inc. & E. P. taxes	1,428,790	996,355
Net profit	684,277	643,320
Less: Preferred divds.	276,925	276,925
Sub. pfd. divds.	13,567	15,178
Surplus for year	393,785	351,217
Add: Previous surp.	1,153,171	1,159,588
Cap. profit	......	397,403
Less: Loss on secs.	......	5,037
W/o goodwill	250,000	750,000
Retirement plan	458,340	......
Misc. adjust.	3,970	......
Earned surp. fwd.	834,646	1,153,171
Earned per share:		
Preferred	$13.32	$12.47
Paid	5.50	5.50
Common	$1.05	$0.94
Working capital	$2,603,809	$2,285,920
Balance Sheet Changes		
Cash	$ 606,849	$ 439,331
Accounts receivable	2,380,639	2,407,122
Inventories	1,600,856	1,814,042
Debentures	400,000	600,000
Sub. preferred	164,800	256,000

Corrugated Paper Box

Higher sales for all lines is reported by Corrugated Paper Box Co. for 1942. Previous capital expenditures are now giving greater operating efficiency, A. T. Whealy, president, reports, and aiding in realizing a higher net profit before taxes. After taxes there is very little difference in earnings from last year.

The company will not be able to earn more than about $88,000 in 1943, providing it remains in the top excess profit tax bracket, Mr. Whealy reports. Refundable tax amounted to $18,798 last year.

Sales to date in 1943 have remained fairly steady. Operating difficulties are increasing due to government control and the manpower situation.

Mr. Whealy refers to the fact that those of its shareholders who expressed an opinion regarding the recent proposals for settling preference arrears favored payment as fast as the financial position permitted. Accordingly $8.75 a share has been declared, payable June 1, which will reduce arrears to $7 a share. Toward the end of 1943, the board will consider what further declaration may be advisable.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$379,310	$225,364
Add: Other income	20,585	21,175
Total earnings	399,895	246,539
Less: Exec. & legal	35,058	Not avail.
Directors' fees	550	400
Interest	44,111	47,951
Inc. & E. P. taxes	213,635	94,622
Loss on assets	1,086	619
Net profit	105,454	102,947
Less: Preferred divids.	44,674	55,842
Surplus for year	60,780	47,105
Add: Previous surplus	316,039	268,732
Adjustments	9,812	203
Earned surplus forw'd	386,631	316,039
Earned per share:		
Preferred	$16.52	$16.13
Paid	7.00	8.75
Working capital	$553,877	$459,825

Canadian Industries Ltd.

Canadian Industries Ltd. reports sales in 1942 were 2% above the level of the previous year and 72% higher than the average for the years 1936 to 1939. In spite of a further expansion in plant facilities and increase in the volume of sales, net income declined and at $4.6 millions was 14% lower than in 1941. Net earnings were equivalent to $6.03 a share on the common stock, compared with $7.22 in 1941 and $7.27 in 1940.

Income from investments last year dropped 13% below the 1941 level, the major item of the decrease being the lower dividend declared by General Motors Corp., which in U. S. amounted to $2 a share for 1942 as compared with $3.75 in the previous year. Defence Industries Ltd., the company's wholly-owned wartime subsidiary, provided larger income. In this connection the company reports that for the 3¼-year period since the outbreak of war, dividends from D.I.L. have approximated $1.17 a share on C.I.L.'s common stock.

In his report, George W. Huggett, president and managing director, reports that in the Chemical Division, direct shipments from C.I.L. to the Dept. of Munitions and Supply and to Defence Industries Ltd. during 1942 constituted about 7% of total sales.

Wartime restrictions and curtailment of civilian consumption of chemical products, he reported, have necessitated a sweeping revision in the planned development of production facilities. In contrast with previous years, extensive provisions were not made for the manufacture of new products. The greater part of the new capital outlay of $1,981,000 authorized during the year is being expended on the Nylon plant, all the production from which is needed to meet increased military demands.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operat. income*	$7,406,519	$9,038,855
Add: Invest. income	938,269	1,081,004
Less: Loss on secs.	13,688	840
Total revenue	8,331,100	10,119,319
Less: Prov. for war conting.	200,000	750,000
Tax reserve	*3,581,000	3,985,000
Net profit	4,550,100	5,383,419
Less: Pfd. dividends	325,500	325,500
Common dividends	4,025,811	4,375,881
Surplus for year	198,789	682,038
Add: Prev. surplus	5,077,801	4,395,763
Refund. port. E.P.T.	60,700	......
Earn. surplus fwd.	5,337,290	5,077,801
*Includes refundable portion of E. P. T. regarded as not immediately available for dividends and amounting to $60,700.		
Earned per share:		
A & B common	$6.03	$7.22
Paid	5.75	6.25
*After deducting:		
Depreciation	$2,713,506	$2,077,988
Exec. remun.	196,592	235,065
Directors' fees	20,000	20,000
Legal expenses	4,865	3,873
Working capital	$15,467,982	$15,247,447
Balance Sheet Changes		
Cash	$2,267,442	$2,839,908
Govt. bonds	1,300,000	891,000
Accts. receivable	4,885,433	6,313,273
Inventories	11,954,179	10,461,584

Borden Co.

Assets of Borden Co. in Canada after depreciation and exclusive of current assets, were $5,361,969 at Dec. 31, 1942, compared with $5,467,542 a year ago, the annual report of Theodore G. Montague, president, states. The figure represents 7.3% of the company's total assets other than current assets.

Net current assets of Canadian subsidiaries accounted for $4.7 millions of the $58.3 millions company total as compared with $4.3 millions out of $50.7 millions a year ago.

"It is imposible to make predictions," the report adds regarding the present outlook. While 1943 "will doubtless present greater and more perplexing problems" the company is strong financially the report declares, and hope is held out for a successful year.

Consol. Income, Surplus—Years Ended Dec. 31	1942	1941
Total income	$326,310,102	$260,009,975
Less: Cost of goods	278,631,359	223,191,028
Sell. exps., etc.	25,343,331	23,464,721
Interest	271,882	91,959
Conting. res.	2,500,000	1,500,000
Mainten. prov.	900,000	......
Taxes*	9,783,877	3,491,695
Misc. assets res.	500,000	......
Net profit	8,379,654	8,270,572
Less: Dividends	6,134,210	6,148,316
Surplus for year	2,245,444	2,122,256
Add: Prev. surplus	21,370,825	19,248,568
Less subsid. adjust.	78,691	......
Surplus forward	23,537,578	21,370,824
*Less postwar credits.		
Earned per share	$1.91	$1.88
Paid	1.40	1.40
Working capital	$58,374,779	$50,693,351

Can. Gen. Investments

Canadian General Investments Ltd., management-type of investment trust, reports a gain in gross and net income for 1942. The sum of $18,265 was appropriated from dividends received from stocks of producing mines, an appropriation allowed by the Dominion income tax department as depletion against decline in equity of mining investments. This was deducted before a $469,354 figure for income was shown.

Present value of securities held is given as $7.4 millions, an excess over book value of $279,652. Total net assets of the company had a value of $7.5 millions at Dec. 31 last compared with $7.3 millions a year earlier, an increase, after payment of dividends, of 2.36% in the year.

Net assets per share amounted to $12.50 at Dec. 31, 1942. This compares with $12.22, $12.63 and $13.72 at the end of the three years 1941, 1940 and 1939 respectively.

Income, Surplus—Years Ended Dec. 31	1942	1941
Investment income	$469,354	$462,438
Less: Management fee	25,000	25,000
Directors' fees	2,390	2,630
Miscellaneous	2,509	3,313
Income tax	10,000	21,600
Net profit	429,455	409,944
Less: Dividends	*300,289	300,291
Surplus for year	129,166	109,653
Add: Prev. surplus	630,990	531,456
Less: Addit. inc. tax	......	10,119
Surplus forward	760,156	630,990
Earned per share	$0.71	$0.68
Paid	0.50	0.50
Net assets per share	$12.50	$12.22

EXECUTIVE APPOINTMENTS
AYERST, McKENNA & HARRISON, LIMITED

WILLIAM HARRISON

W. H. WALLACE

At the recent meetings of the shareholders of Ayerst, McKenna & Harrison Limited, Biological and Pharmaceutical Chemists, and its United States subsidiary company, Mr. William Harrison was elected Chairman of the Boards of both companies and General Manager of the parent Canadian organization. Mr. W. A. S. Ayerst continues as President of the Canadian Company. Mr. W. J. McKenna assumes the presidency of the American subsidiary, Ayerst, McKenna & Harrison (United States) Limited, with Mr. W. H. Wallace as Vice-President and General Manager. The head offices of both companies are located at Montreal.

More than a Mine —an Industry, also

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New Brunswick Budgets For $21,968 Surplus

Provincial Secretary-Treasurer Predicts Sharp Drop in Revenue Due to Wartime Regulations; Sees Biggest Decrease in Motor Fees

New Brunswick is budgeting for a surplus of $21,968 for the fiscal year ending Oct. 31, 1943, Hon. J. J. Hayes Doone, provincial secretary-treasurer, reported to the Legislature. This compares with a record surplus of $1,159,251 in the 1941-42 fiscal year.

Comparative record of revenues and expenditures for the two years is as follows:

Years Ended Oct. 31	1943 (est.)	1942
	$	$
Revenue	10,675,317	11,800,480
Expenditure	10,653,349	10,641,229
Surplus	21,968	1,159,251

Mr. Doone pointed out that due to restrictive tendencies incidental to wartime regulations it is doubtful if many of the revenues will be fully maintained. This thought has been carried into effect in preparing the estimates for the Department of Lands and Mines and with regard to motor vehicle fees. An item of $2.5 millions has been set up representing the Dominion guarantee of liquor revenues.

The New Brunswick Government view is that motor vehicle fees cannot possibly maintain their standard as one of the chief revenue-producing items. Estimates call for revenue of $750,000 from this source for the current fiscal year, as compared with $1,350,000 in the fiscal year ended Oct. 31, 1942.

A bill has been introduced in the Legislature to permit refunds for those who are unable to operate their cars on a full-year basis. Refunds will be payable to all who surrender their license plates on Dec. 31.

The various items in expenditure account show only a slight variation from last year. A new item of $5,000 has been set up to cover expenses of a reconstruction committee.

On the province's debt situation Mr. Doone noted that the total surpluses during the last three years totalled close to $2.6 millions and the total net debt reduction for the corresponding period was over $2 millions. In 1939, interest charges alone absorbed 46.44% of the province's revenue. The comparable charge for the fiscal year just ended was 36.08%.

In Nov., 1940, the province sold $1.8 million of 20-year 4% serial bonds at a cost of 4.20%. Subsequent issues have been sold on a steadily improving cost basis with a $1¼ million 12-year 3½% issue being sold during the past year at a cost to the province of 3.68%.

J. T. Bryden, B.Com., assistant treasurer of the North American Life Assurance Co., who speaks before the March meeting of the Life Insurance Institute of Canada in Toronto, upon "The Effect of Economic and Political Thought on Interest Rates."

NEW CROWN LIFE DIRECTORS

Clarence Wallace, Vancouver (left), and George Braden, Toronto, have been elected directors of Crown Life Insurance Co. Mr. Wallace is president of the Burrard Dry Dock Co., Wallace Shipbuilding & Dry Dock Co. and Wallace Foundry Co. Mr. Braden is president of Canada Cycle & Motor Co., the Crown company Small Arms Ltd., and of Joseph Choquette Co.

Industry Faces Reconversion

(Continued from page 1)

within six to eight months, the United States will require a careful plan for the progressive conversion of war plant and manpower to other uses as overall production needs decline.

"We will need, of course, all the aircraft and ships we can produce but the demand for weapons and land army equipment, will, we anticipate, definitely slow down.

"On this continent 'business as usual' means war production, but it is a business which is ever-changing and will change very considerably and very rapidly before the war is over. I believe, however, that the important need at the moment is for more skilful planning to keep our production economy operating at its maximum capacity."

This chief executive admitted that he had not as yet thought this problem through, but said he would call to Washington within the next few days, a group of 25 or 30 leading industrialists to see what could be done.

Critical Shortages Coming

He pointed out, for example, that one of the most critical areas which lay immediately ahead was the impending shortage of "the things we need to maintain our production front." He reviewed the other "crises" which had been met and faced in recent months—the critical shortage of certain raw materials the critical shortage of components for escort vessels, synthetic rubber production and high octane gasoline.

"The next critical shortages," he said, "will be on the 'home front' —shortages of the parts, spares, replacements, etc., needed to maintain our transportation systems, our farms, our factories and our homes at top efficiency in the interest of the war effort."

Canada Most Vulnerable

Both in Washington and in Ottawa there is agreement that Canada is considerably more vulnerable than the United States both as the nature and the flexibility of our war programme and also because our war machine has been running at or near full capacity for a considerably longer period than that of the United States.

The need for a carefully planned "progressive conversion" blueprint is thought to be much greater in this country than in the United States, if we are to continue to contribute our utmost to the war effort and avoid unnecessary wastage of idle plant and idle manhours as plants now manufacturing guns, shells and equipment for our land armies find production requirements cancelled or tapering off.

The best information available is that the over-all output of war production in Canada in 1943 is now expected to fall some 5 to 10% below the earlier goal of $3.7 billions.

There will be increased output of escort and cargo vessels, of universal carriers and several new and important lines such as the order for more than 100 locomotives which Canada is to make for the Indian Government.

But cancellation or elimination of orders for guns, shells, explosives and other land army equipment is expected to offset these increases and cancel the anticipated gains in over-all output which had been scheduled for the last half of 1943.

In 1944, it would now appear that Canada's land army equipment programme would be even more vulnerable:

(1) Because we have not the same over-all production of types and weapons, etc., as Britain and the U. S. (our output is more specialized).

(2) Our facilities are not so flexible as in these two countries.

(3) We are more dependent on other countries' "needs" because of the relative smallness of our own forces in relation to our own large production facilities.

Sees No Discrimination

In all this it should be emphasized that there appears to be no evidence of discrimination against Canada. It is natural that if men are to be thrown temporarily out of employment because of changing war needs, a country like the United States would be in an embarrassing position if it gave orders, say, to Canada, while men and machines capable of making the same items lay idle within its own borders. But (other things being equal) Canada is said to be getting "all the breaks" and merely being asked to share in the changing and unpredictable fortunes of war.

In Britain, for example, it is reported that within recent weeks there has been an over-all slash of 15% right across the board in the Ministry of Supply programme. For the most part, the manpower released is being drafted into the army or into the more critical areas of ship and airplane production.

The Second Front Angle

One important qualifying factor in this production picture is the all-important question of how soon and in what direction the long-expected second front will be opened up in Europe. I hear repeatedly the warning that Canada should not look to a second front to solve this problem of declining land army war production.

Much of the war production which Canada has been turning out is "original equipment." At the moment most of it is in such full supply that no presently anticipated amount of attrition will equal present production totals. Once an army is outfitted with its full complement of equipment and supplies, the amount needed to replenish and maintain that establishment is never so large (unless, of course, the army is routed and all its materiel lost or captured, as at Dunkirk.)

At the moment, the chief bottleneck is shipping, which places a very critical limitation on the second front and our ability to begin and sustain that second front in 1943.

Another obvious fact is the vast stores of certain ammunition, explosives, guns, etc., which have been accumulated in Britain and elsewhere in the past three years. For example: even in the very heaviest week of the Blitz over Britain when Ack-Ack guns were firing continuously 24 hours of the day, our consumption of ammunition in that peak period still fell short of actual production in that week. Both before and since that time the supply of this ammunition has exceeded demand by almost fantastic proportions.

One other important point works to Canada's disadvantage in the present situation. At the present time, and increasingly through 1943 and 1944, huge new factories will be coming into production in the United States ready and equipped to make certain types of guns, ammunition, etc. For the most part these will be factories planned and equipped to make the kind and types of war supplies most in need at the present time.

To switch Canadian plants to these items would require a changeover of perhaps several weeks or even months. In such cases the obvious choice would be to use the new U. S. facilities which are at or nearing completion and which require no new tools, machines or equipment to get into quick production.

Thus an effective "progressive conversion" plan for Canada would enable manpower and facilities which might otherwise be idle, to switch promptly back to such important "home front" work as the manufacture, replacement or repair of railway cars, motor vehicles, farm machinery or other similar items which have been allowed, heretofore, to get dangerously close to the breaking point because of earlier concentration on the manufacture of the weapons of war.

What is felt in Washington is that Canada, in addition to seeking a solution of this problem on the "departmental" level, should tackle the problem on a joint industry-government basis along the lines suggested by the top-ranking official with whom this matter was discussed last week.

The Shareholder

International securities have been booming on the Amsterdam Stock Exchange, the Netherlands Government Information Bureau reports. The German authorities in Holland are making strong efforts to check this. A decree has been issued freezing prices at March 2 levels. This followed severe restrictions which were announced last November when Allied victories in Africa and elsewhere touched off an upward trend, but proved ineffective in halting the rise when Russian victories became known and resistance against Dutch Nazis grew stronger.

* * *

Canadian General Investments Ltd. does not publish a list of its investments but the classification according to nature of enterprise reveals the general shifts made over the past five years. Among groups in which holdings have been reduced are banks and trust companies, building and construction, financial and investment companies, gold mining, mining and smelting except gold. On the other hand, there have been substantial gains in manufacturing and some minor gains in other classifications, including merchandising and chain stores. How this trust diversified its portfolio over the last five years is shown in the table that follows:

	1938	1939	1940	1941	1942
	%	%	%	%	%
Cash	0.5	0.2	1.2	1.8	1.2
Govt. bonds	0.5	0.4	0.5	1.2	2.4
Banks & trust	3.3	3.1	2.9	2.9	2.6
Building & construction	3.7	4.1	1.6	1.0	1.1
Financial & investment	7.5	7.1	8.0	5.0	4.6
Food, dairy & meats	6.5	7.7	7.4	8.0	7.2
Gold mining	8.5	7.9	8.2	7.8	7.6
Household prod. & supplies	0.4	0.2	0.1	0.1	0.1
Insurance cos.	0.5	0.5	0.5	0.5	0.4
Manufacturing	21.0	24.1	28.2	30.6	31.9
Merchandis. & chain stores	5.6	7.3	7.7	7.8	8.0
Milling & grain	0.4	0.7	0.4	0.5	0.8
Mng. & smelt.	10.5	7.5	6.3	6.4	6.2
Miscellaneous	3.7	3.9	4.1	3.9	3.2
Oils	6.4	5.1	3.3	3.2	4.1
Pulp & paper	9.5	10.1	10.0	10.7	9.0
Railways & steamships	0.3	0.4	0.2	0.8	1.0
Real estate	2.1	1.6	1.6	1.6	1.6
Utilities	9.1	8.1	7.8	6.2	7.0
	100.0	100.0	100.0	100.0	100.0

* * *

A record breaking net inflow of capital was obtained by Canada last year as a result of international trading in securities, the Dominion Bureau of Statistics reports. Features were the greatly increased net sales of Canadian bonds to U. S. investors and the reduced move toward liquidation of Canadian-held U. S. stocks and bonds. The fact that U. S. investors continued to buy large amounts of Canadian Government bonds last year was an important factor in offsetting the otherwise harmful effects of such domestic conditions as heavy liquidation of war savings certificates and sales of small denomination war bonds by their subscribers.

Although the net balance of sales, and thus net capital import, was larger than ever in 1942, the total volume of trading was far below the levels common in the days before foreign exchange control. Trend over the 10-year period for which records have been kept has been as follows:

	Sales	Purchases	Net Sales (+) or Purch. (—)
	—Millions of Dollars—		
1933	288.7	237.7	+51.0
1934	321.2	312.3	+8.9
1935	301.8	250.8	+51.0
1936	422.5	414.7	+7.8
1937	506.6	511.4	—4.8
1938	369.2	340.3	+28.9
1939	311.0	238.9	+72.1
1940	123.0	95.1	+28.8
1941	108.3	75.3	+33.0
1942	167.0	61.5	+105.5

Honey Dew Ltd. reports that 2,520 common shares have been issued since Oct. 31, 1942, in connection with the conversion of $50,400 principal amount of the outstanding debentures on the basis of one common share for each $20 principal amount of debentures. There are at present 23,926 common shares outstanding.

The Bondholder

The Fourth Victory Loan, scheduled to be marketed April 27 to May 15, will probably see the most intensive financial drive in Canada's history. An unprecedented sum of money will be sought. Organizers will start to move out to the field in the next few days. Some smaller investment houses are sending so many of their personnel out for the effort that they are closing up their normal business entirely for the next two months.

* * *

What the target figure for the loan will be cannot yet be made public. General opinion, however, is that it will be in excess of $1 billion. It was pointed out here last week that Canadians will be asked to lend at least 50% more this year than last. On the basis of a 50% increase over the Third Victory Loan objective of $750 millions a figure of $1.1 billion for the new loan would be indicated.

* * *

Slogan for the loan, always an important selling feature, will be announced shortly. Finance officials, who have seen too many bonds and war savings certificates come back on the market, would doubtless find pertinent—"What We Have We Hold."

* * *

Cockshutt Plow Co. has devised a "layaway" plan designed to help the farmer invest in war savings certificates and, at the same time, enable him to save for replacing his machinery. The farmer buys his certificates through the local Cockshutt dealer. In a purchase agreement he indicates the equipment he believes he will need in the post-war period and authorizes the company to hold his certificates in trust as a deposit on delivery.

The company guarantees priority on the machines ordered through this plan over all purchasers who do not participate. Should the farmer require his certificates for any emergency they will be returned to him immediately upon application.

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Arvida Workers Seek General Wage Increase

Aluminum Syndicate at Arvida has approached the War Labor Board in respect to its demands for a general increase of 5 cents an hour for all hourly-paid employees of the Aluminum Co. of Canada Ltd. at Arvida.

Negotiations were opened up about three months ago, but the company explained that, in an attempt to prevent inflation, wage rates were controlled by law under orders of the government, and the company, in the light of those regulations, was unable to agree to the request.

Associated Breweries of Canada will redeem on May 9 a further 500 preferred shares. The shares to be redeemed will be called by lot. Following redemption, there will be 5,639 shares outstanding.

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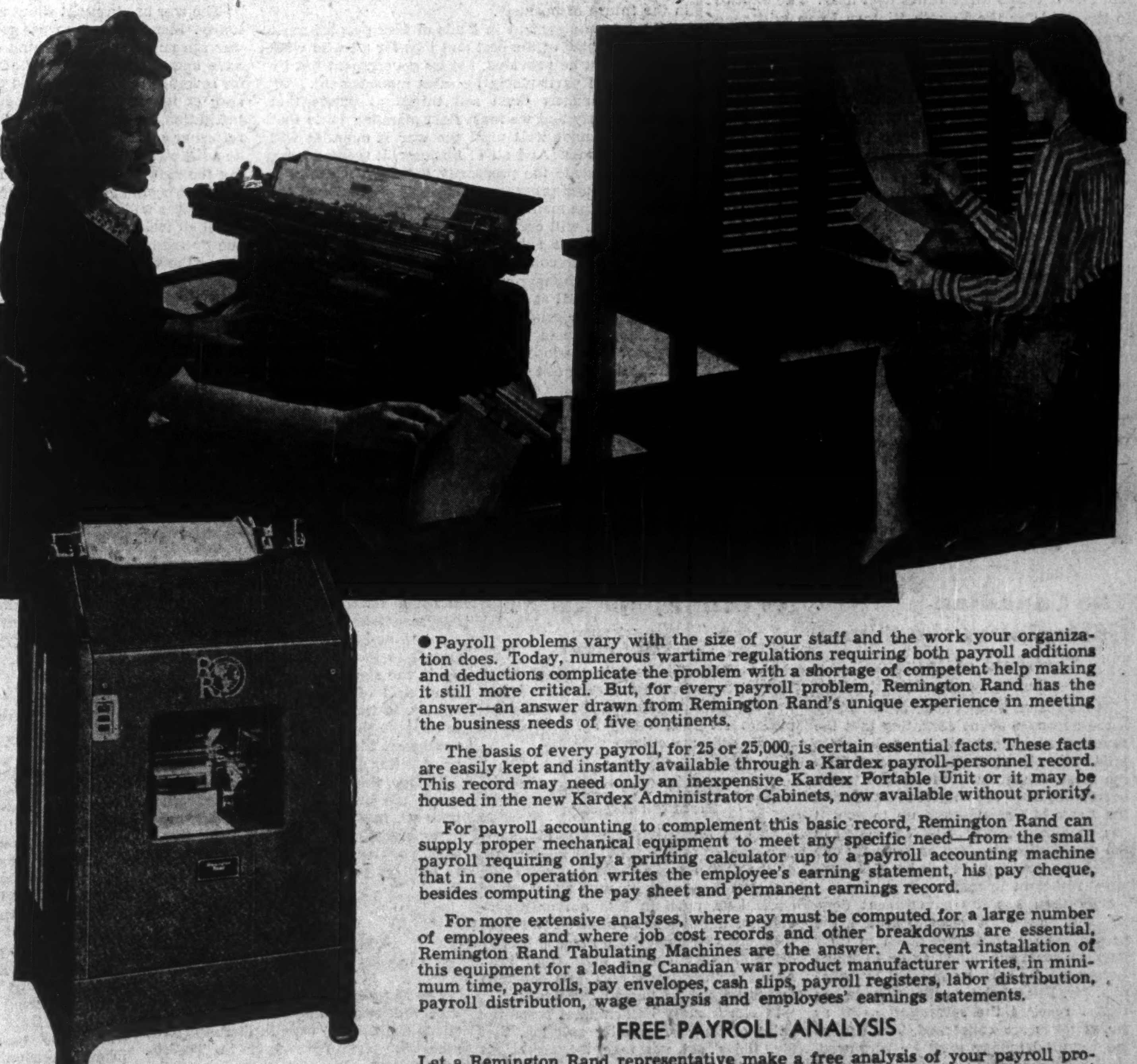

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The Editorial Page . .

Freedom For One Side Only

Perhaps the greatest inconsistency that has so far appeared in the voluminous discussion before the Ontario Legislature committee hearing briefs on the collective bargaining bill, is the stand that the trade unions have taken against so-called company unions.

That the trade unions would oppose company unions is readily understandable—the more workers there are in company unions the less dues there are for trade unions. However, the opposition has taken the form of recommendations—phrased virtually as demands—that company unions be outlawed.

The unions, as represented by both the Trades & Labor Congress of Canada and the Canadian Congress of Labor, loudly proclaim that all they seek through the collective bargaining bill is the right of freedom of association. Yet if a group of workers in a plant wanted to band themselves into a council to negotiate with the management without reference to an outside union, they would be barred from so doing if the unions had their way. Apparently the right of freedom of association is only for those who want to associate with the A.F.L. and C.I.O.

Works councils have been functioning satisfactorily for years in many important Canadian plants. It is probably true that more workers are represented to their managements through such organizations than through outside unions. The record of such councils is certainly not one that should lead to their outlawry.

The record similarly speaks against the unions' lop-sided view that all company unions are dominated by management. This point of view is purely that of "class warfare which holds it as axiomatic that the interests of workers and of managers are unalterably opposed. This, of course, is purely fallacious. The interests of both are completely mutual and as interdependent as hand and arm. If all managers have not, in the past, recognized this fact the vast majority now do and the rest are learning very fast. The class warfare exponents do themselves and all society a tragic disservice.

The true basis of labor peace is not a collective bargaining bill, but recognition of the mutual interest of employer and employee. In practically every line of endeavor, mutual confidence is best and most enduringly established by direct contact of the parties concerned, not through an imported third party whose basic interests may well be very much different from those they are supposed to represent.

Well-earned Praise

Finance Minister Ilsley devoted a notably large part of his budget speech to a tribute to the work done by the National War Finance Committee. Telling of the people who help to market Canada's war loans he said:

> "This form of service on the home front is of vital importance, and I hope it will be possible to enlist the aid of more and more persons in this phase of our war programme. I should be most remiss if I did not take this opportunity to acknowledge the valuable work being done by these voluntary workers, and to express to them the thanks of the government and their fellow-Canadians."

To many thousands in the investment, banking and insurance fields the two Victory Loan campaigns have become a major part of the year's activity. Those who actually sell the bonds are away from their normal business pursuits for about a month each campaign, while those who handle the vast organization detail must be away from their desks three times that long. The exodus to the field for the Fourth Victory Loan will soon begin.

The success of the war loan campaigns to date is due in no small measure to those part-time workers. With the permanent paid staff of the committee only numbering some 275, much of the burden of putting over the loans falls on the professional talent which is brought in with each new drive.

In marketing some $2 billions of war loans in a year to a people scattered thinly across the Dominion, the National War Finance Committee and those who work with it have performed a task which need not take a second place to financial performance in any other country.

Risking Toronto's Credit

It has been abundantly proved that the credit rating of any borrower depends not only upon his ability but also his willingness to pay. The City of Toronto, which enjoys around the highest credit ranking of any Canadian municipality, has seen fit to disregard that fact. Through a narrow, legalistic interpretation of its obligations Toronto is sacrificing an important moral obligation.

Between 1904 and 1912 the city issued sterling debentures which apparently could not be marketed in the United Kingdom. Accordingly, they were brought back and sold to Canadians and Americans. These buyers did not want sterling payment so a letter from the city accompanied the debentures promising payment in Canadian or American funds at par. Such payments were continued up to 1940 when the attitude was adopted that the only legal obligation was that which appeared on the face of the debentures and that the letters sent out some 30 years ago had no legal standing.

The city since 1940 has been paying on these bonds at current rates of exchange on sterling. Finance Commissioner Lascelles has recommended to the City Council that it revert to its former policy of paying in American or Canadian funds. Holding to the old two-pay policy would require approximately $50,000. The council last week voted down this suggestion.

While it is probably true that no legal obligation is involved there is an important moral point here that smacks unpleasantly of repudiation. An important amount of these debentures is held in the United States, and it is not believed that these American institutions are looking on Toronto's interpretation of its obligations with a very kindly eye. This reaction could very well adversely affect future financing operations by the city.

The Financial Post's Platform for War

1. *All manpower and resources, efficiently used, wherever needed, to win the war.*
2. *A national war cabinet of Canada's best, chosen not on party lines.*
3. *A non-political industrial executive to organize and direct procurement of war supply.*
4. *Pay-as-we-go policy, to the utmost possible limit to avert inflation.*
5. *Elimination of wasteful spending by public bodies or private individuals.*
6. *Planning NOW for postwar, by government and business, to ensure full employment and improving social standards through individual, competitive enterprise.*

We Are Fortunate

For a great many middle-class Canadians, Mr. Ilsley's budget is going to mean a more or less permanent reduction in their accustomed standards of living. True, taxes were not greatly advanced from last year's unprecedented levels, but most people in 1942 still had some nest egg to draw upon whereas from now on current income must carry the load.

Thousands of families are now contributing as much to the Dominion Treasury in a year as they used to spend on motor cars, holidays, and all entertainment combined. In addition, they are facing substantial restrictions in goods and services and are expected to work harder than ever before.

Compared with prewar standards, we are making sacrifices, but before too many tears are shed, it might be well to compare our lot with some of the other peoples of this world. Before the war, the people of England, yes and France, Belgium and Holland too, were enjoying a very satisfactory standard of living; not as high as prevailed in Canada perhaps, but much the best in their history nonetheless. What sort of a reduction have they had to face?

Millions across the channel from England, are in imminent danger of starvation. For most of them, food supplies are only barely sufficient. In both Britain and on the continent, the luckier ones shivered in ill-heated houses last winter, the others had no houses left in which to shiver. Holidays, new clothes and travel are something most of these people only dream about. Even a decent night's sleep is denied a great many.

Here we are asked to go a little easier on butter and a few food luxuries. We may have had to do with a little less meat. But anything even approaching starvation unless we make a complete muddle of our opportunities, is simply out of the question. Here, we may see an enemy's bomb or two before the Nazis and Japs cry quits, but anything like the concentrated destruction of homes that has occurred and is still occurring in Europe, should be absolutely impossible.

The civilian populations of Canada and the United States should be thankful that the sacrifices demanded of them so far, have been economic only. Physically, and mentally, compared to the people of Europe, we have suffered hardly at all.

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

Training Tomorrow's Salesmen

Below are extracts from the lecture of Kinsey N. Merritt, at the University of Toronto, this week. Mr. Merritt is general manager, Public Relations, Railway Express Agency Inc., New York, and president of the National Federation of Sales Executives. The lecture was one of the current series dealing with marketing and business trends after the war.

* * *

At the present time the salesman is saying to the production man, "I can sell anything that you can make," but when peace again comes the production man will be saying to the salesman, "I can make anything that you can sell."

Sales management has before it the job of providing for the employment of what is estimated in the United States to be some 57 millions of people (Canadian equivalent about 5 millions) and business must be making plans for the assumption of the responsibility that it must shoulder. Most thinkers of today agree that human values will have an ever-increasing place in the future of business.

Mass unemployment in lands of free peoples must be made a thing of the past and jobs for all who wish to work must be provided, not by government but by industry and particularly by sales management.

Sales managers must sell things at prices that people can pay and we must start planning to do that now. We cannot wait until the war is over. It will be too late then. And all of business, it seems to me, must help create the prosperity in which it wants to share. Business prospers as trade is created and the salesman is the man who has and, in my humble judgment, always will create that trade. Transportation is the carrier of it and together they have made the North American continent a great industrial continent.

The sales manager of tomorrow is going to think of principle as well as the material thing that he is selling and his material rewards. That, of course, means that the salesmen working under tomorrow's sales manager must adopt this philosophy of selling and the sales manager must start his work by recruiting a good sales force.

The sales manager of tomorrow has a job to do that must begin in our institutions of learning. The sales manager must help in every way that he can to have salesmanship interpreted to the students as a worthwhile calling. It is a fact that in many institutions of learning at the present time textbooks are being used that present selling as some sort of a racket or as a bag of clever tricks and the man that is teaching salesmanship often does not believe in it himself and very frequently has no practical knowledge of the subject. Is there any wonder that less than 1% of students of certain schools say they want to sell?

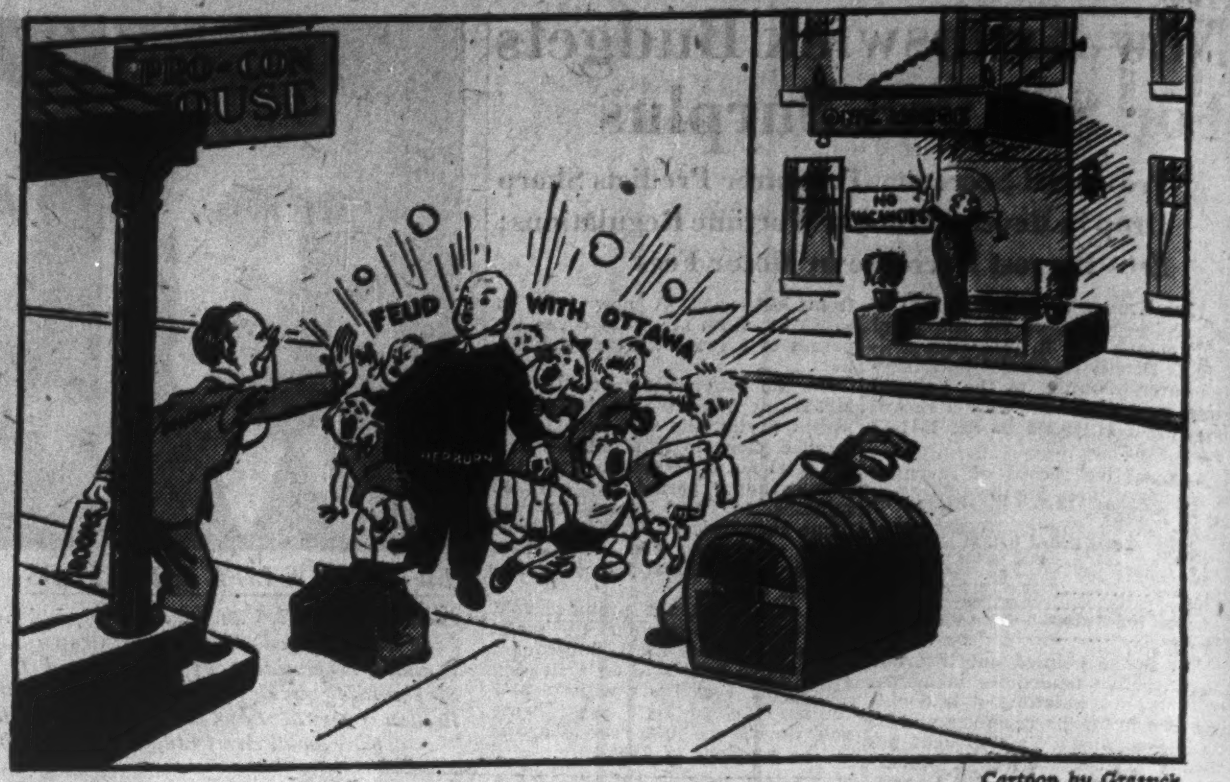
The sales manager, therefore, must assume a certain responsibility to help educational institutions improve this phase of their work and he must do it even to a point of financially supporting, through his trade organizations, these institutions and to giving time and effort to them as a guest lecturer.

But that's only the start. The sales manager of tomorrow should go into these institutions and be prepared to employ a certain number of salesmen from their graduating ranks each year just as the scientific man does.

The war has brought about another training opportunity. Many men who were good salesmen before the war are now doing something else and some of them have been or will be out of active touch with selling for several years. Therefore, I feel that the sales manager of tomorrow will arrange, either with his own institution, or with educational institutions, for quick refresher courses that will help the salesmen who may be a little stale, quickly to refresh themselves concerning the very important job of learning the wants and needs of people and showing them how their products or services will meet these needs, if they will.

In all training programmes—both for new men and the "refreshers" for salesmen with previous experience—the emphasis will undoubtedly be put on uses for the product or service and on studies of the buyer's postwar problems.

In Canada and the United States we now have an industrial plant that can supply all of man's material wants. We have a great force of trained workmen. Machine tools are available as never before. Our agricultural plant has learned to produce crops of high nutritional value and in greater abundance. The sales manager must manage the selling forces of a nation so as to build up mass demand to absorb this mass supply.



Cartoon by Grassick.

IT SEEMS THE HOUSING SHORTAGE IS STILL ACUTE

Post-Scripts . . . .

For Frugal Housekeeping

The other day the Wartime Prices and Trade Board appointed Mrs. H. M. Aitken, as head of the conservation programme of its consumer branch. Most who know Mrs. Aitken will agree that an excellent choice has been made. In her new work, Mrs. Aitken will be responsible for an organized campaign aimed at the conservation of food, clothing and household equipment, in other words it will be a drive towards better and more frugal housekeeping on the part of the women of Canada. In her extremely varied and interesting career, Mrs. Aitken has had plenty of experience in preaching this sort of gospel.

MRS. AITKEN

Kate Aitken has divided her life about equally between rural and urban living. At 16, she commenced her career teaching in a little country school house where half the boys were bigger than the teacher. At one time she taught school in Saskatchewan at a point 18 miles from the nearest railway. The only transportation was by horseback.

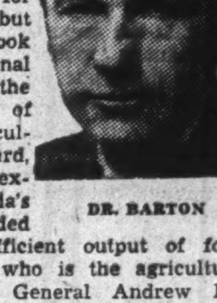
After she was married, she lived for two years ago at Mesabi Range, in Minnesota, where in addition to looking after her regular housekeeping, she did the book reviewing for the local library. Coming back to Canada, Mrs. Aitken and her husband bought a poultry farm about 30 miles north of Toronto. Her White Wyandotte hens established two world egg laying records. Mrs. Aitken took a keen interest in developing a special business with city customers. This included direct sales of eggs and poultry and also the annual output, approximately 12,000 jars, from her home canning plant.

Mrs. Aitken's success soon attracted the notice of the authorities. The Ontario Department of Agriculture engaged her as a lecturer on money-making side lines for farm women. She travelled to Great Britain and the European continent on two special missions for the Dominion Department of Agriculture. She also did educational work for the Canadian National Exhibition, the Baltimore and Ohio Railways and the Chicago World's Fair. For the last nine years Mrs. Aitken has conducted a daily radio programme and she has broadcast for the B.B.C. in Great Britain. Recently she has been connected with G. Tamblyn Ltd., of Toronto, which firm has loaned her services to W. P. T. B.

Abounding in good humor and vitality, Mrs. Aitken is one of those natural born leaders and teachers who have the faculty of transmitting both enthusiasm and knowledge to any audience.

Food Pusher

Whether Canadians will continue to enjoy such lusty foods as butter, cheese, roast beef and steaks next winter or will have to be largely contented with bread, stews and soups, depends to a considerable extent on Dr. George S. Barton. For a good many years he has been deputy minister of agriculture for the Dominion, but last week he took on an additional job. This is the chairmanship of the new agricultural food board, charged with expanding Canada's already expanded but still insufficient output of food.



DR. BARTON

For a man who is the agricultural equivalent of General Andrew McNaughton, Barton is almost unknown to Canadians outside professional agriculture circles. Naturally shy and quiet, the tall, steel-haired deputy minister has never sought the spotlight. He would be a farmer today but for the fact that his father had three sons and only two farms. While his two brothers took over the family farms in the Vankleek Hill district, not far from Ottawa, Charlie went to the Ontario Agricultural College at Guelph, graduating in 1907 at 24.

His scholastic record was so good he quickly got a job as lecturer and assistant professor of animal husbandry at Macdonald College, Quebec. By the time he was 42 he headed that institution which is a faculty of McGill. He left the job seven years later because he'd have a wider scope for his skill as a technical agriculturist in the job of deputy minister of agriculture.

Dr. Barton is fond of fishing and mad about curling, but there will be little fishing and less curling this year. He and Canadian farmers face a grim, sweaty job, a job made fantastic by the necessity for rationing in the midst of plenty, because so much of the food we must produce will be needed to feed Britain and our other Allies.

* * *

Information Head

Dr. Norman Archibald Rae Mackenzie, who was recently appointed chairman of the Wartime Information Board, is a Nova Scotian of undiluted Highland blood. He was born in the Presbyterian manse at Pugwash on the coast of Cumberland County in 1894. After receiving his early education at local public schools, he was sent to Pictou Academy, long famed in the Maritime provinces. Then followed Dalhousie University, which young Larry Mackenzie had just entered when the first Great War broke out. Enlisting in the 4th Canadian Mounted Rifles, he later transferred to the 85th Nova Scotia Highlanders. During his service as a private and N.C.O., he won the Military Medal and Bar. He was given a commission on the field by Colonel Ralston who was his commanding officer. Resuming his studies at Dalhousie he graduated in 1921 and took his LL.B. in 1923. A scholarship enabled him to attend the Law School of Harvard University and a Carnegie Fellowship in International Law gave him another year at St. John's College, Cambridge.

DR. MACKENZIE

During his studies he had been articled to McInnes, Jenks and Lovett, a well-known law firm in Halifax, but, after he had been called to the Bar of Nova Scotia, he decided that he did not want to apply his legal knowledge to the actual practice of law. So he accepted an appointment as legal adviser to the International Labor Office, and spent two happy and useful years in this role at Geneva. In 1927 Mackenzie got a chance to return to Canada through an appointment as Assistant-Professor of Law in the University of Toronto and a few years later was made a full professor of the new Chair of Public and Private International Law. At that time he became active in the work of the Canadian Institute of International Affairs, serving first as secretary and then president of its Toronto branch, and also from 1928-36 as chairman of its research committee. He was also a Canadian delegate to two Conferences of the Institute of Pacific Relations. As a result of attending these conferences and expeditions which took him to different parts of Europe and Asia he became a much travelled man. He also did considerable writing.

Professor Mackenzie had always maintained ties with the maritime provinces spending his summer holidays at Rexton in New Brunswick. He was no stranger then when he accepted the presidency of the University of New Brunswick in 1940. The new chairman of the W.I.B. will not abandon his academic duties but will only give part of his time to his new task. His lack of newspaper experience may be a handicap but he is a practised writer who knows how to present facts in lucid fashion and he has also an informed knowledge and experience of public affairs. In politics he has always been an independent.

* * *

The Mail-box . .

Full Employment

Editor, The Financial Post:

Recently in an article headed "Agreement Essential on Canadian Aims"—you say as follows:

"Canadians, now united in the objective of winning the war, have shown that they can achieve marvels of production and full employment for their skills and energies.

"Can Canadians unite on peacetime objectives? They must if the full benefits of peace and of the nation's greatly increased productive capacity are to be enjoyed.

"The great danger ahead is not that our economic system cannot do the job of providing full employment and an improving standard of living."

I differ from you. I do not think that Canada or the economic system can provide full employment for all those who are employable and willing to work. We could not do it before the war.

Can you suggest any useful objectives upon which the great mass of unemployed, who are going to come into being as soon as the war is ended, can be employed whether by private enterprise or on government works? And when I say objectives I mean useful objectives. Building pyramids would not be a useful objective.

I cannot understand why people of your knowledge and intelligence, refuse to admit that after the war there is going to be a very large number unemployed who are ready, willing and able to work.

Are you keeping up these statements, as to unemployment not being necessary, simply because when unemployment, possibly to a greater extent than we have seen it before, will exist, after the war, you and others are prepared to use that unemployment as a stick with which to beat the government at Ottawa?

Winnipeg. J. G. HARVEY.

* * *

Single Source Tax

Editor, The Financial Post:

As a regular reader of your paper, I should like to see the Single Tax at Source issue raised once more. I believe that most people are convinced a system whereby all taxes are lumped together, administered on a rising percentage basis according to income and deducted weekly from wages, by the employer, would show a very great saving in the cost of collecting taxes.

Is it true, as generally supposed, that the patronage system in force in government circles, is the chief reason why some form of taxation collection as outlined has not been put in force?

With present taxation collection, I believe, costs are running into $17,000,000 annually, there appears to be an opportunity of making a considerable saving by some method such as the one outlined.

Toronto. VICTOR G. WILLIAMS.

Other People's Views . . . .

The Canadian Editorial of the Week

Threshold of Inflation

Regina Leader-Post

In his recent budget speech, Mr. Ilsley made no bones about admitting that the government has already been forced to inflate to a limited degree. True, it is the least dangerous form of inflation—borrowing from the chartered banks and the Bank of Canada—and up to now it has been controllable. But it is a step in the wrong direction and accordingly one which the government has been exceedingly reluctant to take.

Why then has the government done it? The answer is clear. Because the people have been falling down in their duty to save and lend. Only so much money can be raised equitably by taxation. Mr. Ilsley believes that Canada has almost reached the saturation point as far as taxes are concerned. The rest of the required money must be borrowed. If the people refuse to lend, then the government can turn only to the banks.

What it all comes down to is this: If people do not spend less and save more, and if they do not put their savings in government bonds and certificates, then government bank borrowing will have to be increased and the resultant inflation will take the cost of the war out of the people anyway. But if this is the way it is going to have to be done, inevitably it will be a whole lot tougher for all concerned and grossly unfair to most everyone except the speculator.

As Others See Us . . .

Talking Sense

Orangeville Banner

The Financial Post is talking sense when it says that the income tax forms are too complicated and should be simplified. At present they are a headache for the ordinary citizen.

* * *

"Ilsley" Not "Ruml"

Brantford Expositor

As The Financial Post, Toronto, says: "No amount of talk about 'forgiving half' of the 1942 income taxes can deny the fact that the taxpayers, with a few minor exceptions, must in 1943 not only provide for deductions at higher rates than 1942, but also must dig up money to pay off a liability carried over from 1942. Actually they must now pay fourteen months' taxes in twelve months."

It seems most unfortunate, from the point of view of popular reaction, that Mr. Ilsley did not take the forthright rather than the circuitous course, cancel the 1942 obligation outright and then, if absolutely necessary, increase the 1943 rate. At least that would have cleared the decks and let people know where they stood. The danger now is that, regardless of all explanations, a great many citizens are going to get the impression that, somehow, they were promised bread and given a stone.

Let there be no mistake: the idea of achieving a pay-as-you-earn basis of income tax has enormous merit, from the point of view of both the government and the individual. Once the "slack" has been taken up, everyone will be in a sound and advantageous position with regard to income tax. But that picking up of the slack is going to necessitate a good deal of scraping and saving. For anyone to imagine otherwise, much less to suppose that the government is about to present him with a Ruml plum, is to court bitter disillusionment.

Unless the government changes its mind, the best advice to all concerned is to get ready to pay up the remaining arrears and arrive at the pay-as-you-earn position via "the hard way" and as soon as possible.

* * *

Suicidal Criticism

Moose Jaw Times-Herald

The Financial Post administers a well-deserved and timely rebuke to those "little Canadians" who, in discussing the recent American reverses in Tunisia, would lead a neutral to "come to the conclusion that the United States was numbered among our enemies and not an ally."

Some newspaper headings reflect this spirit, and in giving credit for the work done by the desert veterans leave a wrong impression on the mind of the reader who may not take time to comprehend the true situation. In this mechanized war of mighty thrusts to break the line, what seem to be reverses at first turn out to be fighting strategy or technique. The British line in the desert has time and again been dented and bent and was stretched right back to the Egyptian border,—but it was never broken.

* * *

Wasting Manpower

Trail (B.C.) Times

In an all-out war such as the Nazis are waging and such as the United Nations must wage if they are to win, every able-bodied citizen is put in the most urgent job to which he or she is best suited. Obviously the responsibility for choosing that job cannot be left to the individual because that person has no means of knowing which job is the most important nor, perhaps which he is best suited to fill.

As The Financial Post says, it may be in a munitions factory, it may be on a farm producing food, it may be in the front line. Only the authorities have the knowledge necessary to making the proper decision.

* * *

Stop Me If . . .

A rather close-fisted and hard-bitten citizen had died. After the funeral service the neighbors stood around the cemetery thinking of the deceased. Finally one old man broke the silence, "Well I can say one good thing about John, he wasn't always as mean as he was sometimes."

Sayings of the Week

"We are denied the opportunity to do the thing we were sent here to do."—*J. G. Diefenbaker, M. P. in the House of Commons.*

* * *

"The time is bound to come when Hitler will be more valuable dead than alive." — *Hermann Rauschning, former president Danzig Senate.*

* * *

"Unemployment on a wholesale scale need never exist again. It can be prevented or cured by employment."—*Hon. John Bracken, Progressive Conservative leader.*

* * *

"If we are going to investigate every rumor that appears in the newspapers, this House will be doing nothing else." —*Hon. T. A. Crerar in the House of Commons.*

* * *

"The most important job facing the government of Ontario is to find some way to assure the farmers that they will get a fair return for the food they produce."—*Col. George Drew in the Ontario Legislature.*

* * *

"Since we are in the war together, we cannot build up on this side of the line a condition which differs from the condition on the other side of the line, in relation to the feeding of our people without creating a wrong impression."—*Hon. J. G. Gardiner, Minister of Agriculture.*

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Food For Fighters

Tasty Vegetables—95% Dry

New Dehydration Process Keeps Flavor, Vitamins

By IAN SCLANDERS

OTTAWA.—A new process of dehydration, developed in Canada, may easily prove the biggest wartime development in the food industry. According to officials of the Department of Agriculture it retains flavor, texture and nutritional value to a much greater degree than previous methods.

Tests over the last few months have shown that it imparts a far longer storage life and that even an expert has a hard time telling the new dehydrated vegetables from fresh vegetables, once they have been prepared for the table.

Among others who have given this verdict are members of the Canadian Society of Technical Agriculturalists, who recently served dehydrated potatoes, parsnips and carrots at their annual banquet.

This year eight Canadian plants—four of them just completed—will dehydrate tens of thousands of tons of vegetables by the new method. The exact production target has not been revealed since nearly all the output will be for the armed forces.

Postwar Possibilities

When the wartime job of Canada's new dehydration plants is done, when peace comes again, agricultural authorities at Ottawa say it is quite conceivable that the average housewife will keep a month's supply of vegetables on the corner of her pantry shelf—in half a dozen tins.

Meanwhile, dehydration will ease the supply problems of our troops when they go into action. It means our seamen need never go short of vegetables. Dehydrated vegetables could be dropped by bomber to soldiers cut off from their lines.

When we invade Europe we will find transportation broken down, but will be faced with the need of getting food to the people who are liberated. It will, literally, be 10 times as easy to provide them with dehydrated vegetables as it would be to provide them with fresh vegetables.

But the drying of foods does not stop with vegetables. During the year we will ship overseas $30 millions worth of powdered eggs. In addition we are upping our production of powdered milk from an average of 5.5 million pounds in the five year period ended in 1940, and from 11.5 million pounds last year to 16.2 million pounds in 1943. More than one third of this year's output of powdered milk will go to soldiers of the United Nations who are held as prisoners of war, through Red Cross channels.

Dried Eggs

There is nothing new about dried eggs but the present product is said to be superior in quality to that put out in the past. Agricultural officials see housewives of the future baking cakes from powdered eggs instead of fresh eggs, see them also, in view of the awakened interest in nutrition, reinforcing the vitamin content of puddings and other dishes with egg powder. They think powdered eggs may largely replace storage eggs, that boxes of powdered eggs may be as common on kitchen shelves as bags of flour.

Nutritional knowledge may also increase household use of powdered milk, and there will certainly be a larger use of this by bakers and others who are manufacturing food products commercially.

Dehydration of vegetables in Canada dates back to World War No. 1 when R. J. Graham, of Belleville, Ont., operated a number of plants in the Dominion, producing for British, French and U. S. governments. From the last war to the present war, several companies continued to manufacture dehydrated vegetables, selling to mining and lumbering camps and other markets remote from transportation facilities.

Up to 1935 the same methods were used as had been used in the last war. That year, an effort was made in both Canada and the United States to improve quality, and while some success was attained the product still was not regarded by dietetic authorities as entirely satisfactory.

New Process

With outbreak of the present war, further experiments in vegetable dehydration were carried on in England. These proved that it was theoretically possible to dehydrate without loss of food value or flavor, but did not go beyond the laboratory stage. Dr. C. S. Harris, of Cambridge University, who is now stationed in Washington, arrived in Canada with the findings of the laboratory experiments, turned them over to our Department of Agriculture.

Under direction of M. B. Davis, Dominion horticulturalist, an intensive programme of research was soon in progress at three fruit and vegetable products laboratories operated at Ottawa, Summerland, B.C., and Kentville, N.S., by the Dominion experimental farms service. The bulk of the work was at Kentville, under C. C. Eidt and H. C. Aitken, who had Dr. C. C. Strachan of Summerland associated with them.

Eidt developed a new type of hydrator now used at all but one of the dehydration plants in Canada and also used extensively in the United States. He is said to have been offered an important post in the U. S. army in recognition of his efforts, but to have turned this down to continue his research at Kentville.

Main Differences

Main differences between the present method of dehydration and former methods are as follows:

1. Extensive pre-cooking before dehydration, so as to inactivate enzymes which would otherwise cause storage deterioration and vitamin loss. It was found that unless the enzymes were destroyed they were responsible for rapid deterioration of color, flavor, nutritional value. Under the old process it is probable that at least 50% of the nutritional value was lost. This is no longer so. Boiled dehydrated cabbage retains all the vitamins of boiled new cabbage.

2. Closer temperature control in the dehydrator itself, so as to provide for the quickest drying without any scorching. Just as quick frozen foods are superior to foods frozen slowly, so quick dehydrated vegetables are better than those dehydrated slowly, say agriculture department experts.

3. Dehydration to the lowest possible moisture content. Under former techniques, vegetables were dried to 8% to 12% moisture content. Now they are dried to 5% moisture content.

4. In the case of all vegetables except potatoes and onions, the hermetically sealed container in which the product is packed has the air removed from it and replaced by an inert gas such as nitrogen or carbon dioxide.

Firms now dehydrating vegetables are, as reported by officialdom, Bulman's Ltd., Vernon, B.C.; Gordon Beardmore & Co., Oakville, Ont.; Graham Dried Foods, Ltd., Belleville, Ont.; Burwick Food Products, Ltd., Burwick, N.S.; Kildonan Canning Co., Winnipeg; Pirie Potato Products Ltd., Grand Falls, N.B.; New Brunswick Potato Products Ltd., Hartland, N.B., and Island Foods Inc., Summerside, P.E.I. The last four have just built new plants.

Investment in the average dehydration plant is about $50,000.

The dehydrated vegetables are packed in five gallon cans for the armed forces, a can holding 15 pounds of all vegetables except cabbage, which runs 10 pounds to the can.

Close contact is kept with all plants packing dehydrated vegetables, and there are daily inspections and laboratory tests to assure that the product comes up to set standards.

Key man in the big development is R. W. Arengo-Jones, technical adviser to the Agricultural Supplies Board, who has been in touch with every phase of the business and is one of those most confident in its future.

Mr. Arengo-Jones played a major part in developing apple juice, and besides working on the dehydration of vegetables has worked on the dehydration of fruits, particularly apples. Several thousand tons of apples are likely to be dehydrated this year.

They compare, under the present process, very favorably with fresh fruit—so favorably that a pie baked with dehydrated apples won top place a while ago in a British Columbia pie contest.

What Dehydration Does

Cabbage dehydrated by the new Canadian process is better, according to experts, than fresh cabbage, unless the fresh cabbage is hurried right from the garden to the cooking pot. You can get about a dozen and a half dehydrated cabbages into a container that would only hold one fresh cabbage.

Six or eight potatoes, dehydrated, will fit in the space of one fresh potato. They can be served boiled, mashed, riced, scalloped, French-fried—about every way but baked.

Onions dehydrate to one sixteenth of their original size, come ready for use, don't have to be peeled by the housewife.

One pound of dehydrated carrots is equal to 12 pounds of fresh carrots, one pound of dehydrated turnips is equal to eight to 10 pounds of fresh turnips.

Taking an average, 10 pounds of fresh vegetables produces one pound of dehydrated vegetables—and one pound comes back to 10 pounds when prepared for use.

The wartime advantages of this are obvious. We can ship overseas 10 times the volume of vegetables that could be carried in fresh form in the same space. The dehydrated vegetables will keep almost indefinitely.

The Week in Business

There are increasing indications that this year is going to see little over-all gain in Canada's economic activity but that there are likely to be extensive shifts reflecting changing war demands. It is probable that industries turning out equipment for the army, such as guns and shells, will find their volume of orders declining. Ship and airplane are expected to expand.

Such moves reflect the fact that initial equipment for the army is now pretty well supplied and from here on it becomes more a problem of transport and replacement, the latter subject to great variations in accordance with location and intensity of campaigns.

Industrial employment at Jan. 1 this year shows smallest losses of any of the past 23 years during which records are available. The result is that the normal seasonal decline at this time of the year is overcome and the adjusted index moved upward, although the ordinary index is somewhat lower

Payrolls at Jan. 1 reflect the longer than normal lay-off at the holiday season for a number of consumer industries. The index on the basis of June 1, 1941, is thus lower.

Iron and steel production in January this year is substantially lower than a year ago, reflecting the stoppage due to the strike in that month. Pig iron production at 116,327 tons compares with 163,156 tons in Jan., 1942. Steel production was 207,003 tons compared with 259,016 tons.

	Feb.	Jan.	Dec.	Nov.	Year Ago
Physical vol. of business, D.B.S.*	....	227.3	221.2	207.8	193.9
Dom. war expend. (million $)	....	185.0	218.9	209.6	144.6
Dom. total revenue (do.)	....	216.8	175.0	180.7	120.5
Dom. total expend. (do.)	....	233.2	360.4	335.5	184.3
Dept. store sales index no.	....	147.4	146.4	168.5	151.1
Retail sales index no.	....	155.2	156.4	161.7	150.8
Wholesale sales index no.	....	138.7	148.4	152.9	132.2
Country store (% change pr. yr.)	....	+7.9	+14.6	+15.0	+20.5
Divd. payment index♦	122.3	122.5	122.7	123.1	121.3
Bank deposits (1926=100)	....	....	189.0	185.1	154.7
Cash and cheque pay. index	....	155.3	166.0	197.8	125.3
Bank debits (1935-39=100)	....	148.3	142.1	164.0	122.8
Money supply (c)	....	4,344	4,347	4,280	3,603
NEWSPRINT % OF CAPACITY—					
Production ratio	....	63.1	66.0	70.6	84.3
Shipment ratio	....	58.1	65.8	71.7	78.9
RAILWAY FREIGHT LOADINGS—					
▪Tons	175.5	155.1	175.9	142.0	169.3
▪Cars	139.7	130.5	145.2	126.5	140.4
COST OF LIVING—					
D.B.S.	116.9	117.1	118.8	118.6	115.7
EMPLOYMENT INDEX No. D.B.S.—					
▪All industries	....	183.7	186.5	183.3	165.8
▪Manufacturing	....	219.6	221.7	218.6	187.1
▪Payrolls (June 1/41=100) (b)	....	132.0	144.3	140.8	112.3
Payroll index (a) (1937=100)	....	218	230	216	185

			Jan. 1 to date		%
RAILWAYS—	1942-43	1941-42	1942-43	1941-42	Change
▪Carloadings (week Mar. 6)	63,724	62,137	585,008	607,252	—3.6
▪C.P.R. gross (week Mar. 7)	$ 5,424,000	4,449,000	44,685,000	41,347,000	+8.0
C.N.R. gross rev. ... (Jan.)	$ 29,278,000	25,967,000	....	....	+12.7
C.N.R. net rev. ...... (Jan.)	$ 4,472,714	5,157,112	....	....	—13.2
C.P.R. gross rev. ... (Jan.)	$ 18,927,920	18,660,272	....	....	+1.4
C.P.R. net rev. ...... (Jan.)	$ 2,240,655	3,184,062	....	....	—29.7
IRON AND STEEL—(January)—					
▪Pig iron production (tons)	116,327	163,156	......	......	+28.7
▪Steel production ... (tons)	207,008	259,016	......	......	—20.1
CONSTRUCTION—					
Contracts awarded (Feb.)	$ 19,019,000	11,052,000	31,003,300	23,933,100	+29.5
Building permits .. (Jan.)	3,222,324	6,432,687	....	....	—49.9
Cement prod., bbls. (Dec.)	329,666	369,444	9,143,219	8,368,711	+9.2
AGRICULTURE—					
Flour prod., bbls. ... (Jan.)	1,963,042	1,555,850	......	......	+26.2
Cattle sales▲ .... (Feb.)	76,985	76,861	133,954	187,137	—28.4
Hog sales▲ .... (Feb.)	510,761	497,125	1,010,605	1,087,938	—7.1
SEA FISHERIES—‡					
Catch cwts. .... (Jan.)	447,600	771,200	....	....	—42.0
Landed value ...... (Jan.)	743,600	917,400	....	....	—18.9
NEWSPRINT—					
Production, tons ... (Jan.)	233,544	311,904	....	....	—25.1
Exports, tons ...... (Jan.)	199,580	274,296	....	....	—27.2
MINING AND OILS—					
Coal prod., tons .... (Jan.)	1,542,236	1,919,264	....	....	—19.6
Gold rec., fine oz. .. (Jan.)	360,755	442,038	....	....	—18.5
Petroleum prod., brl. (Dec.)	858,510	896,571	10,362,801	10,133,838	+2.2
ELECTRIC POWER OUTPUT—(January)—					
Total monthly, 1,000 kw.h.'s	3,217,788	3,226,289	....	....	—0.2
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. .... (Jan.)	2,612,258	2,463,947	....	....	+6.0
Cotton consump., lb. (Jan.)	14,374,572	16,833,456	....	....	—14.6
Cigarette cons., No.† (Jan.)	872,109	747,733	....	....	+16.6
FINANCE—					
Bank debits† .... (Jan.)	$ 3,899,628	3,230,789	....	....	+20.7
Bond sales† .... (Jan.)	$ 237,334	90,952	....	....	+161.0
Life insurance sales (Jan.)	$ 40,420,000	43,081,000	....	....	—6.1

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants. †000 omitted. •Millions of dollars.
♦Supplied by Nesbitt, Thomson & Co. *1935-39=100. (c) 000,000's omitted.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

Nfld. Reports Higher Surplus

Newfoundland reports improved financial results in February with a surplus on the month of $619,298 compared with $349,831 in the same month a year ago. For July to February, inclusive, surplus totalled $4.4 millions against close to $4.8 millions for the same period of the previous fiscal year.

Detailed results are as follows:

Revenue and Expenditure
February

Revenue	1943	1942
Customs	$1,295,930	$1,144,184
Posts & tels.	112,528	90,849
Assessor	234,054	177,598
Nat. resources	18,465	9,650
Other rev.	76,200	149,846
Total	1,727,177	1,572,127
Expenditure		
General	1,118,879	845,570
Interest, etc.	......	376,726
Total	1,118,879	1,222,296
Surplus	618,298	349,831

First Seven Months

Revenue	1943	1942
Customs	$13,035,511	$11,055,618
Posts & tels.	958,169	729,051
Assessor	2,062,904	1,048,369
Nat. resources	164,859	156,237
Other rev.	1,123,915	966,883
Total	17,345,358	13,956,158
Expenditure		
General	10,682,293	7,425,960
Interest, etc.	1,352,248	1,748,623
Total	12,934,538	9,174,583
Surplus	4,410,820	4,781,575

Montreal Tramways Denies City Liability

Montreal Tramways Co. has taken the stand it does not owe the City of Montreal anything as arrears of rental for the use of city streets. The city claimed payment of $2.6 millions, being the amount which stands on the city's books as owing by the company.

According to the contract between the city and the company, an amount of $500,000 is to be paid to the city each year, provided earnings were sufficient to meet the charge.

While denying any liability, the company indicates its willingness to meet the city's representative and discuss the situation.

Back Up Our Fighters

"Unconditional surrender" can only be forced on the enemy by overwhelming weight of men and armaments. Your money is needed to provide the weight of armaments to back up our men. This can best be done by the continuous purchase of Victory Bonds.

We shall be glad to fill your order for any amount.

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Years of preparation gave the lead to the enemies of freedom. But, organized co-operation has been developed by the United Nations and to-day the machinery of our war production is running smoothly.

Steadfastly and grimly the United Nations have now gained the lead.

GSW is playing an important part in this herculean effort. Its experience and facilities have been called on to supply innumerable items used for feeding and equipping the Armed Forces. This, together with a restricted supply of raw materials, has caused some curtailment in our production for domestic use. We appreciate the forbearance of our customers and look forward to the day of Victory when we can again supply all demands.

GSW QUALITY GOODS
GENERAL STEEL WARES
LIMITED
MONTREAL · TORONTO · LONDON · WINNIPEG · CALGARY · VANCOUVER

94,080
Queries

were received by the Family Herald and Weekly Star during 1942 —postmarked from every corner of rural Canada.

No other Canadian farm paper receives as many or in such variety . . . but the important point is this:—Many of the letters are from people who have no information so readily available as that provided by the Family Herald.

That is why the Family Herald has such amazing reader acceptance throughout the farm market — that is what makes it a wise choice for your sales story.

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

On this, our 75th Birthday...

TODAY, our countries are at war—engaged in a desperate struggle to determine whether the freedom we have created and cherished shall survive or perish.

Beside the all-embracing immensity of that issue, the Diamond Anniversary which Metropolitan celebrates this month is of small importance.

Yet, on our 75th birthday, it is perhaps, proper that this company, representing nearly thirty million policyholders in Canada and the United States, should here voice its faith in the future, and its determination to help make that future brighter than any period in the past.

We have just reason for that faith. Ours is a business that has been built on faith—faith in the continued and growing greatness of Canada and the United States, faith in the integrity of our people.

In the 75 years since Metropolitan was founded, on March 24, 1868, we have faced crisis after crisis—wars, panics, depressions, disasters of many kinds . . . and from each such crisis we have seen our countries emerge stronger than ever. We confidently believe that they will do just that again—that the best years of history lie before us.

We have every reason, too, for our determination to help make that future brighter. No business, perhaps, touches the lives and aspirations of millions of people more closely than ours. It is our plain duty to do our utmost to help those people fulfill their dreams—of an education for their children, of security for their families, of financial independence in their own old age

In the past, we have tried to perform that duty through the wise investment of more than six billion dollars which we hold for the benefit of our policyholders. We have tried to do it through conscientious, economical management, so that insurance costs would be held to a minimum. We have tried to do it through the prompt payment of all benefits—which, in the 75 years of our existence, have totalled over nine and a half billion dollars. And through our organized health activities, established in 1909, we have tried to make every possible contribution to healthier, longer lives for our policyholders—lives which, taken from birth, now average over twenty years longer than they did in 1868.

In doing these things, we have also tried to be a good citizen. For we are part of Canada and the United States. Their future is our future. And in this critical hour in history, we say again — our faith in that future has never been stronger.

75th ANNIVERSARY—1868-1943

Metropolitan Life Insurance Company
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NEW YORK
Frederick H. Ecker, CHAIRMAN OF THE BOARD Leroy A. Lincoln, PRESIDENT
CANADIAN HEAD OFFICE, OTTAWA

Investigate New Products

Pulp Manufacturers Look Into Plastics

Canada's huge pulp and paper industry believes its future may lie in more profitable products than newsprint, has research workers busy developing plastics that could be produced in its present mills with its present raw materials. There's a good deal of secrecy about what has been done, but several companies admit that progress has been promising.

By JOHN E. LANGDON

MONTREAL. — Canadian pulp and paper operators may have surprises to spring in the postwar period. At least four companies and possibly others are working on plastics with a pulp base.

Experiments have been going on over a fairly long period with considerable headway although the "bugs" have not been eliminated.

Over two decades hundreds of millions of dollars have been invested in Canada in the pulp and paper industry. A large share of this investment has been for manufacturing newsprint.

At this time the manufacturers of this product are getting by, because of the bottling up of the Scandinavian newsprint industry. After the war it may be another story.

A large share of the world's press will be dependent upon Canadian newsprint for years to come, but with the return of Scandinavian producers as a competitive force in world markets, the making of this low priced paper in Canada is not going to be especially profitable.

Industry Looks Ahead

Canadian manufacturers know this. For years they have been looking for new products which would be more profitable and still enable them to employ their plant, equipment and personnel.

To this end scrap materials were converted into millboard. A promising market was in the making before the war. Then the armed services and the governments found that board could be used for many purposes and the demand skyrocketed.

Use Waste Liquor

Mersey Paper Co. a few years back entered into a compact with Best Yeast Co. to make yeast out of waste sulphite liquor at its Liverpool, N.S., plant.

This venture turned out so successfully that the Best Yeast Co. moved into Ontario where it established another plant at Thorold to utilize the waste liquor at the Ontario Paper Co. plant.

Prior to this the industry had dug into its pocket and grubstaked a research organization attached to McGill University.

Much basic work has been done by this unit, which has opened eyes to the possibilities which exist in cellulose.

The war did even more, for science again showed that high grade sulphite pulps could be concerted into explosives. Cellulose from wood pulp was clearly demonstrated to be every bit as good as that derived from cotton linters for nitrating purposes.

Then came the demand for synthetic rubber. Alcohol is essential to the processes adopted in the United States and Canada. Ontario Paper Co. saw its opportunity and has undertaken to put up a plant at Thorold to produce alcohol from waste liquor.

Cellulose is the Key

It is the multitude of uses to which cellulose can be put that has brought home to the industry the fact that its future may lie in plastics and not in paper.

Some of the experimental products made are impressive.

One of the largest operators has worked out a formula for treating groundwood pulp to produce, under pressure, a product which outwardly appears superior to wallbord.

It has a highly polished finish. In experimental lots it runs in color from darkish red to black. It can be sawn, drilled and planed.

This "board" has some drawbacks which those working on it believe can be eliminated without any particular trouble. Some of the experimental lots cannot be nailed. Others are conductors of heat.

These are "bugs" that have to be cleared up before commercial manufacture can be undertaken. For some purposes they are important drawbacks; for others, they are of little consequence.

Method of Production

Generally speaking the plastic on which most of the experimenters are working has a groundwood pulp base. Resin and lignins are removed. In doing this a chemical change takes place.

The pulp is then run through an ordinary paper machine and comes out the other end a thin, brittle sheet, brown-spotted and yellowish in appearance. A cement made of the resin and other products extracted from the pulp is used as a binder. The sheets are built up to the required thickness and then placed under pressure.

The result is a plastic "board," which in its natural state has a highly finished, beautiful appearance with a strength exceeding plywood.

It can be molded to any shape desired. It could be made into the fuselage of an airplane; the body of an automobile; bathtub; or any other articles.

The sheet is made in one continuous strip the width of a paper machine which runs to well over 200 inches in many cases.

This plastic sheet has the advantage in that it can be ground to powder form and extruded to make screw caps and other like articles.

Another significant feature of this development is that in its "board" state, the new plastic is competitive to wallboard on a price basis.

Only a Beginning

The industry will not stop at a product to compete with wallboard. Its sights are raised higher than that.

Plastics for molding or extrusion into an almost endless variety of articles is the goal.

Those companies which have been experimenting are cheered by the results achieved so far. They feel that they are on the track that is going to lead them to a more profitable return from the raw materials with which they work. They still have a long way to go to reach their objective. They are not boasting of what they have done—in fact they are reticent about their achievements—but there are those who believe that the industry will share in the benefits arising from the Plastic Age.

Bowater's Stock Control Held

From Our Own Correspondent

MONTREAL.—In a move to prevent a change in control of Bowaters Newfoundland Pulp & Paper Mills Ltd. all the preference stock has been acquired by Bowater's Paper Mills, holders of all the former company's common stock. Funds necessary to finance this transaction were largely provided by the group's bankers, with the balance out of resources.

Bowater's Newfoundland has outstanding £2,080,000 of 5% preferred stock. Under the by-laws, control passes to the preferred shareholders at any time when preferred dividends are in arrears for 12 months. Dividends were paid on the stock in 1941, but apparently were deferred in 1942.

Newsprint Box Score

PRODUCTION

	February 1943	February 1942	Dec.	January-February 1943	January-February 1942	Dec.
Canada	22,807	278,101	56,294	455,351	590,005	134,654
United States	64,358	76,234	11,876	134,150	160,862	26,712
Newfoundland	13,796	27,330	13,534	27,421	55,952	28,351
Total	299,961	381,665	81,704	616,922	806,819	189,897

SHIPMENTS FROM CANADA

To	February 1943	February 1942	Dec.	January-February 1943	January-February 1942	Dec.
Canada	14,584	15,487	903	30,019	33,189	3,170
United States	193,042	227,925	34,583	382,718	485,401	102,683
Overseas	14,757	21,209	6,452	24,661	38,029	13,368
Total	222,383	264,621	42,238	437,398	556,619	119,321

PRODUCTION AND SHIPMENT RATIOS
(Percentage of Capacity)

Production February 1943	Production February 1942	Shipments February 1943	Shipments February 1942
64.9	81.4	65.1	77.4

SHIPMENTS FROM NEWFOUNDLAND

	February 1943	February 1942	Inc. or Dec.	Jan.-Feb. 1943	Jan.-Feb. 1942	Inc. or Dec.
Newfoundland	23	43	—20	155	108	+47
Overseas	1,058	557	+501	2,488	5,611	— 3,123
United States	15,517	15,363	+154	26,329	33,533	— 7,204
Total	16,652	15,963	+635	28,972	39,252	—10,280

STOCKS OF NEWSPRINT ON HAND

Mills—	February 28 1943	February 28 1942	Dec.
Canada	110,038	156,957	46,919
United States	13,913	12,414	+1,499
Newfoundland	65,295	86,300	21,005
Total	189,246	255,671	66,425

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Owning directly or through subsidiary companies,
mills at
Beaupre, Que. — Iroquois Falls, Ont.
Pine Falls, Man. — Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. — Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

On the Record

Norman D. Wilson, formerly director, Transit Control for Ontario, appointed deputy Transit Controller.

R. T. Donald, formerly assistant secretary, named secretary to the Munitions and Supply Department, succeeding H. H. Turnbull.

M. C. Tillotson, formerly communications officer, appointed assistant secretary to the Dept. of M. & S.

R. B. Miller, formerly assistant to Mr. Tillotson, named communications officer, Dept. of M. & S.

J. G. Fleck, Ottawa, appointed chairman of a committee established to advise the Timber Controller. Members are: **N. F. Blair,** Quebec; **E. R. Bremner,** Ottawa; **G. P. Burchill,** South Nelson, N.B., **J. M. Dessureault,** Quebec, **C. G. Hawkins,** Milford Station, N.S., **L. Hill,** New Liskeard; **D. C. Johnston,** Toronto; **W. J. LeClair,** Ottawa; **E. W. Ross,** Edmundston, N.B., and **S. J. Staniforth,** Montreal.

Walter T. Patterson appointed secretary, Wartime Industries Control Board, Dept. of M. & S.

$71,751,824 in war savings certificates purchased from March 1, 1942 to Jan. 31, 1943, according to a return tabled in the House of Commons. Redemption in the same period amounted to $19,899,296. By provinces, sales were: Prince Edward Island, $234,672; Nova Scotia, $3,303,859; New Brunswick, $1,948,639; Quebec, $15,068,912; Ontario, $35,823,432; Manitoba, $4,541,172; Saskatchewan, $2,349,181; Alberta, $3,453,280 and British Columbia, $5,028,677.

Harvest excursions which were run from eastern Canada during the 1942 harvest season cost $241,312.

Contracts awarded on Canadian account from July 14, 1939 to December 31, 1942, by Dept. of M. & S. totalled $3,008,215,030. Capital assistance contracts for $281,090,245 were made. The main commodity groups included in the contracts were:

Shipbuilding	$548,399,324
Aircraft	477,495,574
Ordnance	339,352,860
Construction and Defense	338,582,294
Automotive transport	304,560,469
Clothing	241,368,568
Munitions	113,539,052
Electrical equipment	100,805,467
Foodstuffs	98,204,144
Gasoline, oil and fuel	82,451,721
Instruments	54,461,991
Lumber and building supplies	33,843,506
Personal equipment	29,704,059
Beds and bedding	28,783,702
Machinery	28,640,593

Small arms production in 1942 showed an increase of 1,300% over 1941.

268,265,961 lb. of salvage have been collected from May 1, 1941 to December 31, 1942. 18,706,851 lb. of rubber was salvaged.

B. C. Pulp Mills Hit By Shortages

From Our Own Correspondent

VANCOUVER. — Pacific coast producers express dissatisfaction with the $4 increase in the price of newsprint and say it fails to cover higher costs. Meanwhile shortages of logs and labor are creating difficulties for the mills. Powell River Co., which shut down for a week in February, will close for another week March 22 and then go on a five-day week.

Pacific Mills Ltd., at Ocean Falls, is still able to produce up to quotas set by the newsprint administrator, but B. C. Pulp & Paper Co., with mills at Port Alice and Woodfibre, reports production sharply reduced and operating costs higher.

Sales of Bruck Silk Increase

Capacity Operations in 1943 Depend on Availability of Raw Materials

From Our Own Correspondent

MONTREAL.—Bruck Silk Mills plants are running at capacity, with the exception of the spinning and throwing department, according to a statement given the annual meeting of shareholders by I. I. Bruck. The slowdown in the one department is due to insufficient materials.

Sales in the first four months of the current fiscal year, he said, had risen. It was hoped that this pace could be maintained if raw materials are available.

English Unit Shut Down

In regard to the London, Eng., subsidiary, Mr. Bruck told shareholders that due to wartime conditions the plant was not running at the present time.

A. Lovell Phillips, president of Canadian Steel Strapping Co., and J. Stevenson Fry, Canadian Corporations Ltd., were elected to the board of directors, replacing Col. P. Hutchison, resigned, and Gerald L. Bruck, now on active service with the R. C. A. F.

Municipalities Show Up Better

Manitoba Collections Figures Show 1942 112.62% of Levy

Continued improvement in position was registered during 1942 by Manitoba municipalities other than cities. Preliminary figures from the Department of Municipal Affairs for 1942, the collections column showing all collections, both current and arrears, are as follows:

Munics. other than cities	Tax imposition 1942	Tax collection 1942	% of collections to tax imposition
Rural	$5,722,282	$6,570,261	114.25
Suburban	1,052,517	1,124,469	105.67
Villages	222,268	241,917	110.15
Towns	1,045,727	1,121,788	109.95
Total	8,042,794	9,068,435	112.62

At Dec. 31, 1941, out of the 170 municipalities audited by departmental auditors, 108 had cash surpluses after providing for all matured liabilities, including the amounts owing to schools, of close to $1.1 million. In addition, 74 of these municipalities had special reserves of cash or investments aggregating $661,117, making total surpluses of the 108 municipalities $1.7 million.

13 Need Adjustment

Of the 62 municipalities having cash deficits, 49 of them are in reasonably good shape, their cash deficit not exceeding one year's levy, according to Premier Stuart S. Garson. The remaining 13 are in a more difficult position, and it is likely that some adjustment of their debt will have to be made.

The Department of the Municipal Commissioner has been endeavoring to curtail unnecessary expenditures by municipalities and, wherever possible, have cash surpluses converted into reserves for postwar reconstruction or to meet unforeseen requirements.

Fraser to Head New War Board

From Our Own Correspondent

OTTAWA.—It is expected here that K. C. Fraser, now attached to the British Supply Council in North America at Washington, will be named the chief executive officer of the War Supplies Allocation Board when it is set up.

Mr. Fraser is a Canadian, formerly with the National Trust Co. of Toronto. He is in charge of the Programme and Statistics Division of the British Supply Council. He has been especially responsible for the programming of Russian aid and has worked in close collaboration with the American lend-lease authorities in this connection.

Eddy Closes Newsprint Mill

From Our Own Correspondent

MONTREAL.—On orders of R. L. Weldon, Newsprint Administrator, the E. B. Eddy Co. newsprint mill in Hull will be closed down April 11.

Lack of pulpwood caused by labor shortage is given as the reason. The company's fine paper and pulp division will not be affected by the order.

The Eddy mill is one of the minor units in the industry and under the new regulations is entitled to 1% of the available business. Thus on a total volume of three million tons, the Eddy plant is entitled to 1%, or 30,000 tons. Its closure will not have any appreciable effect upon the overall newsprint picture.

While current reports are that the newsprint unit will be closed for the duration, official circles state that in the event of an improvement in the pulpwood supply, operations will be resumed. Meanwhile requirements of customers will be taken care of by other mills.

Officials declined to say how many men will be thrown out of work, but said an attempt will be made to absorb them in other branches of the plant.

Members of the Montreal Stock Exchange and Montreal Curb Market had collateral loans totalling $6.1 millions at the end of February, an increase of $513,501 during the month. At the end of Feb., 1942, loans totalled $5.7 millions.

B. C. Approves Labor Measure

From Our Own Correspondent

VANCOUVER. — The British Columbia Legislature has passed amendments to the Industrial Disputes Conciliation and Arbitration Act strengthening the position of labor in collective bargaining.

Labor minister George S. Pearson says that the bill extends to trade unions the right to bargain for employees when a majority of the employees are members of one union. Manufacturers objected to the provision that choice of a bargaining agency could be determined by a bare majority, thus denying the right of the minority to representation.

The government wishes to encourage bargaining between employers and employees, said Mr. Pearson.

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TORONTO — BRANTFORD
BRANCHES FROM COAST TO COAST

CANADIAN CELANESE LIMITED

Annual Report for 1942

Directors' Report

To the Shareholders of Canadian Celanese Limited:

Appended hereto are your Company's Balance Sheet and Earned Surplus Account and Statement of Income and Expenditure for the year 1942.

Operations during the year were favorable considering present tax regulations; Dominion, Provincial and Municipal taxes charged against income for the year 1942 amounted to $2,910,104.91 as compared with $2,068,797.96 for 1941.

Dividends paid during the year amounted to $1,335,818.00, of which $520,818.00 (equal to $2.00 per share) was paid to the Common shareholders.

The booklet enclosed herewith entitled "CELANESE IN THE POST-WAR WORLD" was prepared for its shareholders by Celanese Corporation of America. It describes some of the steps being taken through research in the development of new products, and new uses for existing products, and we believe should be of interest to our shareholders.

For the Board of Directors,

CAMILLE DREYFUS,
President.

March 9, 1943.

Comparative Balance Sheet as at December 31, 1942 and December 31, 1941

ASSETS	1942	1941
CURRENT:		
Cash on hand and in Banks	$ 1,909,409.63	$ 3,341,550.06
Government Bonds and Other Securities, at cost (approximate market value 1942, $2,889,500.00; 1941, $1,428,700.00)	2,546,424.27	1,234,424.27
Trade Debtors, less Reserve	947,345.53	783,982.57
Other Accounts Receivable and Accrued Interest	23,145.40	16,178.35
Inventories of Raw Materials, Supplies, Work in Process and Finished Goods, as determined and certified by the Management and valued at cost	2,094,808.52	1,801,276.22
	7,521,133.35	7,177,411.47
DEFERRED AND PREPAID CHARGES:		
Unexpired Insurance and Taxes	22,092.38	27,754.92
Expenses applicable to future operations	6,301.16	15,301.87
Cost of Income Funding Rights purchased in anticipation of Sinking Fund requirements	97,780.51	64,334.44
	126,174.05	107,391.23
Securities held for Investment, valued at cost	195,574.39	195,574.39
Refundable portion of Excess Profits Tax	225,000.00	....
FIXED:		
Real Estate, Plant, Machinery and Equipment, at cost	13,677,140.27	13,529,263.98
Patents and Trade Marks	1,013,032.85	1,004,879.49
Special Fund re Income Funding Rights, as per contra	367,200.00	367,200.00
	$23,125,254.91	$22,381,720.56

Assets held for Special Fund:

	1942	1941
Gov'm't Bonds at cost (Market value 1942, $211,500.00; 1941, $222,750.00)	$198,000.00	$210,000.00
Income Funding Rights valued at $25.00 per Right — 1942, 6,768 Rights; 1941, 6,288 Rights	169,200.00	157,200.00
	$367,200.00	$367,200.00

APPROVED ON BEHALF OF THE BOARD:

A. SCHWARTZ, Director
P. A. THOMSON, Director.

LIABILITIES	1942	1941
CURRENT:		
Accounts Payable and Accrued Liabilities	$ 398,227.75	$ 312,215.38
Provision for Taxes	1,454,409.12	1,879,392.29
Interest on Income Funding Rights	65,714.00	69,897.00
	1,918,350.87	2,261,504.67
RESERVES:		
For Depreciation of Buildings, Machinery and Equipment	4,587,409.52	4,084,847.94
For Amortization of Patents	488,412.88	420,877.36
Special Reserve	550,000.00	550,000.00
Inventory Reserve	56,000.00	66,000.00
	5,681,822.40	5,121,725.30
CAPITAL STOCK:		
Authorized— 150 000 shares 7% Cumulative Participating Preferred, par value $100.00 per share; 300,000 shares Common, without par value		
Issued and Outstanding—		
100,000 shares Preferred	10,000,000.00	10,000,000.00
260,409 shares Common	1,169,045.00	1,169,045.00

Income Funding Rights having the attributes set forth in Special By-Law "A":

	1942 Rights	1941 Rights
Issued under the Scheme of Arrangement of November 7, 1934	90,000	90,000
Less: Purchased by the Company:		
Held in Special Fund, as per contra	6,768	6,288
Held in anticipation of Sinking Fund requirements	4,349	2,913
Delivered to Sinking Fund	13,169	10,902
Rights Outstanding	65,714	69,897

(Rights purchased by the Company cannot be reissued)

	1942	1941
Balance of Sinking Fund re Income Funding Rights set aside in accordance with the provisions of Clause 3 of Special By-Law "A"	12.00	1.00
Special Fund re Income Funding Rights, as per contra, set aside in accordance with the provisions of Clause 5 of Special By-Law "A"	367,200.00	367,200.00
SURPLUS ACCOUNTS:		
Distributable Surplus, set aside in 1936 in accordance with the provisions of sub-section 7 of section 12 of The Companies Act, 1934	62,500.00	62,500.00
Special Surplus, being the refundable portion of the Excess Profits Tax	225,000.00	....
Earned Surplus per Statement attached	3,701,324.64	3,399,744.59
	$23,125,254.91	$22,381,720.56

This is the Balance Sheet referred to in our attached Report of even date.

P. S. ROSS & SONS,
Chartered Accountants.

Montreal, February 17, 1943.

Comparative Statement of Income and Expenditure for the Two Years Ended December 31, 1942

	Year ended December 31 1942	Year ended December 31 1941
Net Operating Profit before taking up the items below	$ 5,051,845.43	$ 4,418,736.19
Income from Investments	106,650.21	110,697.34
Profit on Income Funding Rights purchased for Special Fund and for Sinking Fund	6,912.97	7,021.60
Loss on Government Bonds sold	250.00	1,260.00
	5,165,158.61	4,535,195.13
Remuneration of Executive Officers and Directors required to be shown separately under Section 113 (2) of The Companies Act	128,060.00	129,240.00
Fees of Directors not included above	5,940.00	5,960.00
Legal Fees	8,045.00	6,925.00
Depreciation of Plant, Machinery and Equipment	908,248.94	484,638.61
Amortization of Patents	67,535.52	66,991.96
Provision for Dominion Income Tax and Excess Profits Tax (less refundable portion of Excess Profits Tax, $225,000.00 in 1942)	2,065,000.00	1,800,000.00
Inventory Reserve	10,000.00	66,000.00
	3,192,829.46	2,559,755.57
Net Profit before provision for Interest and Sinking Fund re Income Funding Rights	1,972,329.15	1,975,439.56
Deduct:		
Interest on Income Funding Rights	65,714.00	69,897.00
Sinking Fund for Income Funding Rights	56,686.00	52,503.00
	122,400.00	122,400.00
Net Profit for year	1,849,929.15	1,853,039.56
Deduct:		
Amount equivalent to refundable portion of Excess Profits Tax transferred to Special Surplus Account	225,000.00	....
Balance of Net Profit for year transferred to Comparative Statement of Earned Surplus	$ 1,624,929.15	$ 1,853,039.56

Comparative Statement of Earned Surplus For the Two Years Ended December 31, 1942

	Year ended December 31 1942	Year ended December 31 1941
Earned Surplus at beginning of year	$ 3,399,744.59	$ 2,827,523.03
Add:		
Prior year adjustments	12,468.90	....
	3,412,213.49	2,827,523.03
Add:		
Balance of Net Profit for year transferred from Comparative Statement of Income and Expenditure	1,624,929.15	1,853,039.56
	5,037,142.64	4,680,562.59
Deduct:		
Dividends Paid:		
Preferred Shares: $7.00 per share and Participating Dividend—$1.15 per share in 1942 and 60 cents per share in 1941	815,000.00	760,000.00
Common Shares: $2.00 per share	520,818.00	520,818.00
	1,335,818.00	1,280,818.00
Earned Surplus at end of year	$ 3,701,324.64	$ 3,399,744.59

NOTE: $942,221.19 of the Earned Surplus at December 31, 1942 is subject to a payment of a participating dividend of 10% ($94,222.12) when declared.

Statement showing the amount of Earned Surplus as at December 31, 1942 which is subject to payment of a Participating Dividend on the 7% Cumulative Participating Preferred Stock

Amount of Earned Surplus as at December 31, 1941 which was subject to payment of a Participating Dividend of 10% when declared	$ 1,154,823.14
Deduct:	
Earned Surplus on which a Participating Dividend of $115,000.00 was paid on March 31, 1942	1,150,000.00
	4,823.14
Add:	
Balance of Net Profit for the year 1942, per attached Statement of Income and Expenditure	1,624,929.15
Prior year adjustments credited to Earned Surplus Account in 1942	12,468.90
	1,642,221.19
Deduct:	
Dividends (other than Participating Dividends) paid on Preferred Shares in 1942	700,000.00
Amount of Earned Surplus as at December 31, 1942 which is subject to payment of a Participating Dividend of 10% (equivalent to 94 cents per share) when declared	$ 942,221.19

Auditors' Report to the Shareholders

Canadian Celanese Limited,
Montreal.

We have examined the accompanying Balance Sheet of Canadian Celanese Limited as at December 31, 1942 and the related Statements of Income and Expenditure and Earned Surplus for the year ended on that date. In connection therewith, we have examined or tested accounting records of the Company and other supporting evidence and have obtained all the information and explanations we have required, but we have not made a detailed audit of the transactions.

In our opinion, the accompanying Balance Sheet and related Statements of Income and Expenditure and Earned Surplus are properly drawn up so as to exhibit a true and correct view of the financial position of the Company as at December 31, 1942 and the result of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

There is attached a statement showing the amount of Earned Surplus as at December 31, 1942 which is subject to payment of a 10% Participating Dividend on the 7% Cumulative Participating Preferred Stock; we certify that, in our opinion, this statement is correct.

P. S. ROSS & SONS,
Chartered Accountants.

February 17, 1943.

War Affects Bank Earnings

Larger Percentage Assets Employed in Investments

With Canada's transition from a peacetime to a war economy becoming more complete, what is the outlook for the shares of the chartered banks?

Because of the position of the banks as the handmaiden of general business and industry, the question is of interest not only to investors but the general business community as well. Interest in the group is heightened by the fact that the bank stocks are so widely held. In the nine chartered banks in Canada in which there is investment interest there are 1,440,000 shares, held, it is estimated, by approximately 50,000 shareholders.

There are three main sources of bank revenues: loans (chiefly commercial loans), investments and bank services.

Of these, commercial loans have in the past been regarded as most important. With the banks restricted by the Bank Act to charging no more than 7%, the average rate probably has been nearer 5½% to 6%.

Less Borrowing

But this rate on several hundred millions of dollars has given a substantial return. In recent months the volume of all loans has been falling, both in dollar value and as a percentage of total assets. For instance, in Jan., 1943, total loans of the chartered banks in Canada, where the great bulk of bank loans are, were $1,128 millions, down $70 millions from the previous month and $30 millions from last year. In terms of percentage the January loans were 24% of total assets against 28% the previous year. In December total loans were $1,198 millions, down $65.9 millions from the previous month and $2.3 millions from a year before. The trend has not been regular, having been interrupted in several months during the year, especially at the time of the two Victory loans when investors borrowed to buy Victory bonds. In his address at the annual meeting of his institution the general manager of one of Canada's largest banks, dealing with this question, explained that, while the commercial loans of his bank on Nov. 30 were higher than the year before, the increase was due to borrowing by investors. Victory Bond loans bring the banks the same income as the bonds return.

Meanwhile assets of the banks have been expanding. On Jan. 31, for example, total assets were $4,602 millions, up $489 millions from Jan. 31, 1942, almost 12%. In December at $4,766 millions they were $629 millions or 15% over the year before.

These assets, finding less employment in loans, have found an outlet in investments. Total investments on Jan. 31 were $2.3 billions, up $9 millions from Dec. 31 and $396 millions above the previous year. In December total investments were $2.3 billions, up $534 millions from the previous year. Every month of 1942 has shown an increase over the corresponding month of the year before.

The percentage of investments to total assets rose from 46% on Jan. 31, 1942, to 50% on Jan. 31, 1943. Thus the increased revenue from investments will to some extent at least offset any decline in revenue from loans.

Banks usually buy high-grade bonds, on which in recent years the rate of interest has been around 3%. But many of their investments bear a smaller rate of interest than this. For instance, deposit certificates sold by the Dominion Government in recent months bear only ¾ of 1%. At the end of January the total held by the chartered banks was $440 millions or somewhat less than the increase in total assets. In spite of this, earnings from investments will probably be higher than in the previous year.

Revenue from the third factor in earnings, bank services probably may be the same as in previous years.

Taxes

Taxes which in recent years have been considerably heavier will continue to bite deeply into earnings. Not only does the Excess Profits Tax restrict Canadian corporations to only 70% of average earnings for the four base years 1936 to 1939, but foreign exchange regulations prevent Canadian corporations paying dividends out of earnings made previous to the war period. It is believed all the Canadian banks have non-resident shareholders and, as they have to pay the same dividend to resident and non-resident shareholders alike, a further limit is placed on dividends.

After the 1942 budget was passed increasing the Excess Profits Tax the banks with one exception—the Bank of Toronto—reduced their dividends. Following the announcement the shares of the banks making the cut declined. Changes in the dividend rates and current prices compared with those of a year ago are shown in the table. Taxes, it will be noted, took $10 millions in 1942 against $9 millions in 1941.

	Current price	Divd. rate	Yield %	1942 range H.	1942 range L.	Price yr. ago	Divd. rate	Yield %
Montreal	154	6	3.9	189	124¾	182	8	4.4
Royal	138	6	4.3	155	115	151	8	5.3
Commerce	137	6	4.4	154	115	151	8	5.3
Nova Scotia	251	10	3.9	275	212	272	12	4.4
Toronto	250	10	4.0	255	200	228	10	4.3
Imperial	165	8	4.8	204	145	200	10	5.0
Dominion	155	8	5.2	191	135	184	10	5.4
Nationale	128	6	4.6	150	115	145	8	5.5
Provincial†	101B	5	..	...	...	107	6	..

†Not listed, price is unofficial bid.

In the table below is shown the experience of the banks in 1942. On the average they earned $8.60 per share and paid out $8.13 in dividends per share, earnings being about 106% dividends paid. This compared with $9.10 earned and $8.56 paid out in 1941, the dividend being earned a little over 106%. Thus it would appear that even with the increased Excess Profits Tax in which there has been no change, dividends paid including the lower rate of eight of the banks were earned with a margin to spare.

An additional factor to be considered by the investor in bank stocks is the steady decline in the double liability of shareholders. Under the Bank Act formerly if a bank got into difficulties, the shareholder was responsible for his own stock and for an additional amount equal to the paid up par value of his stock. Since the establishment of the Bank of Canada the chartered banks have been required by law to reduce their note issue each year until on Jan. 1, 1943, the legal maximum note issue had fallen to 45% of the paid-up capital. The effect of this is to reduce the additional liability of shareholders. Whereas formerly the shareholder would have to put up an extra dollar for every dollar of paid-up value on his shares if a bank got into difficulty, now he would only have to put up 45 cents on every dollar of stock.

Possibility of this provision ever becoming operative is regarded as remote. The last occasion on which it was being the Home Bank in 1923. Strict supervision, close co-operation among the banks and capable management are regarded as adequate safeguards.

EARNINGS STATEMENTS OF CANADIAN CHARTERED BANKS

	▲Net Earnings 1942	▲Net Earnings 1941	Dom. & Prov. Taxes 1942	Dom. & Prov. Taxes 1941	Pension Fund 1942	Pension Fund 1941	W/o Premises 1942	W/o Premises 1941	§Net Profits 1942	§Net Profits 1941
	$	$	$	$	$	$	$	$	$	$
Montreal	5,822,892	5,679,932	*2,539,874	*2,242,905	......	......	500,000	500,000	2,783,018	2,937,027
Royal	5,404,299	5,428,154	*2,014,167	*1,892,225	315,000	325,000	400,000	400,000	2,675,123	2,810,929
Commerce	4,766,911	4,679,139	*1,830,858	*1,665,988	258,705	253,994	350,000	350,000	2,327,348	2,409,157
Nova Scotia	3,218,035	2,997,551	•1,357,773	•1,051,949	210,000	205,000	250,000	250,000	1,400,262	1,480,602
Toronto	2,463,358	2,424,501	•1,098,628	•902,944	150,000	150,000	250,000	250,000	964,730	1,121,557
Imperial	1,495,189	1,482,635	•552,300	•504,533	106,650	105,912	150,000	150,000	686,149	722,190
Dominion	1,458,237	1,388,327	•537,246	•449,005	105,000	85,000	150,000	150,000	665,991	704,322
Nationale	1,172,797	1,122,980	*335,982	*251,629	60,000	60,000	125,000	125,000	651,815	686,351
Provinciale	467,794	440,644	186,781	149,210	......	......	50,000	50,000	231,013	241,434
Total	26,269,512	25,643,863	10,453,609	9,120,388	1,205,355	1,184,906	2,225,000	2,225,000	12,385,449	13,113,569

	Dividends 1942	Dividends 1941	Surplus for Year 1942	Surplus for Year 1941	Surplus Forward 1942	Surplus Forward 1941	§Profits per Share 1942	§Profits per Share 1941	Divds. per Share 1942	Divds. per Share 1941
	$	$	$	$	$	$	$	$	$	$
Montreal	2,700,000	2,880,000	83,018	57,027	1,236,687	1,153,669	7.73	8.16	7.50	8.00
Royal	2,625,000	2,800,000	50,123	10,929	3,259,198	3,209,075	7.64	8.03	7.50	8.00
Commerce	2,250,000	2,400,000	77,348	9,157	871,510	794,162	7.76	8.03	7.50	8.00
Nova Scotia	1,380,000	1,440,000	20,262	40,602	1,286,755	1,266,493	11.67	12.34	11.50	12.00
Toronto	600,000	600,000	364,730	521,557	860,531	2,495,801	16.03	18.69	10.00	10.00
Imperial	665,000	700,000	21,149	22,190	719,991	698,842	9.80	10.32	9.50	10.00
Dominion	665,000	700,000	991	4,322	866,502	865,511	9.51	10.06	9.50	10.00
Nationale	525,000	560,000	‡1,815	‡1,351	254,204	252,389	9.31	9.81	7.50	8.00
Provinciale	230,000	240,000	1,013	1,434	211,776	210,763	5.77	6.03	5.75	6.00
	11,710,000	12,320,000	620,449	668,569	9,567,154	10,946,705	8.60	9.10	8.13	8.56

▲ After appropriations to contingent reserves out of which provision has been made for bad and doubtful debts.
* Dominion government taxes only (including tax on note circulation).
• Dominion taxes only. ‡After payment of $125,000 to Province of Quebec.
§ After all deductions including amount written off premises. In some cases this is additional to depreciation taken before showing net earnings.

New High Seen In Note Issue

Reaches $702.7 Millions —Govt. and Chartered Bank Deposits Lower

Note circulation of the Bank of Canada in the week ended March 19 reached a new high of $702.7 millions. This was almost $5 millions above the previous week.

Dominion government and chartered bank deposits were lower, with the total down about $25 millions.

On the credit side investments were lower.

	Mar. 10 1943	Mar. 3 1943
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in cir.	702,752,269	697,612,000
Rest fund	6,472,953	6,472,953
Deposits: Dom.	12,655,413	31,377,909
Banks	246,517,593	264,678,536
Other	27,720,267	15,830,171
Total deposits	286,893,273	311,886,616
All other	8,227,517	7,254,181
Total liabs.	1,009,346,012	1,028,225,756
Assets:		
In Sterling & U.S.	327,389	327,389
Subsid. coin	259,371	289,280
Investments:		
Dom. gov. sh.	727,957,223	751,068,477
Other Dom. gov.	263,646,801	257,245,502
Total invest.	991,604,024	1,008,313,979
Premises	2,103,364	2,103,185
All other assets	15,051,864	17,191,929
Total assets	1,009,346,012	1,028,225,756

Bank of Montreal Group Sell Nova Scotia Bonds

Bank of Montreal and syndicate were the successful bidders for the Nova Scotia Government $2.2 millions refunding loan. The issue is 14 years and bears a 3¼% coupon. The price paid was 100.14 and the cost to the province 3.2375%.

Purpose of the loan is to repay in part the $2,532,000 issue of Nova Scotia debentures maturing May 1, which now carries an interest rate of 5%.

Weekly Bank Clearings

	Mar. 11	Change Year ago	Mar. 4 1943
	$	%	$
Halifax	5,581,394	+20.1	4,293,847
Saint John	2,378,037	+4.4	2,689,532
Moncton	1,052,126	+22.4	1,472,885
Sherbrooke	791,022	—20.2	1,253,558
Quebec	4,438,610	—22.1	6,381,235
Montreal	115,946,516	+8.3	178,456,938
Ottawa	98,138,509	—41.4	79,627,588
Kingston	704,862	—0.9	822,540
Peterborough	703,164	+4.9	915,902
Toronto	132,125,173	+11.6	201,328,719
Hamilton	5,708,913	—1.5	8,325,464
St. Catharines	1,099,204	+4.0	1,565,870
Kitchener	1,848,553	—6.9	1,000,649
Brantford	1,064,755	—1.4	1,416,127
London	2,814,831	+3.9	3,444,793
Chatham	739,025	+8.8	681,262
Windsor	3,452,161	—6.8	4,811,032
Sarnia	674,955	+68.5	784,844
Sudbury	940,560	—16.1	798,666
Fort William	1,031,429	—4.3	1,214,815
Winnipeg	63,199,443	+69.1	47,915,118
Brandon	418,991	+9.6	493,176
Regina	4,220,259	+8.7	3,821,671
Moose Jaw	708,943	+3.4	863,606
Saskatoon	1,691,635	+20.4	1,955,142
Prince Albert	479,751	+6.1	558,788
Edmonton	6,463,855	+22.8	8,116,564
Calgary	6,420,248	+5.4	6,751,760
Lethbridge	767,262	+54.6	783,693
Medicine Hat	345,582	+10.6	328,324
N. W'minster	853,696	+2.1	875,880
Vancouver	26,422,848	+53.0	30,344,372
Victoria	1,994,318	+21.3	2,468,794

Mining Company Reports

Kirkland Lake

With production down 23% in value, earnings of Kirkland Lake Gold Mining Co. declined approximately 4 cents a share to 6.1 cents a share in 1942. Ore reserves were well maintained, amounting to 288,623 tons with a value of $4,037,200 at the end of 1942 compared with 293,633 tons and $4,135,722 a year earlier (gold at $35).

Highlight of the year's development results was opening of 803 ft. of ore in six veins on the 5,450-ft. level averaging $23.95 a ton across 3 ft. at $35 gold. Practically every face was in ore when work stopped.

This midwestern zone, where this occurs, has been turning out ore from the 4,150, 4,300 and 4,450-ft. levels for over five years, has now been proved and partially developed on the 4,900 and 5,450-ft. levels.

Income and Surplus Account Years Ended December 31

	1942	1941
Bullion production	$1,458,823	$1,879,727
Less: Operat. expenses	893,906	1,007,225
Taxation	134,052	216,184
Admin. expense	23,773	25,687
Net operat. earnings	407,092	630,631
Add: Other income	6,605	7,924
Total net earnings	413,697	638,555
Less: Depreciation	89,216	88,896
Net profit	324,481	549,659
Less: Dividends	319,602	585,937
Surplus for year	4,879	*36,278
Add: Prev. surplus	536,766	573,044
Surplus forward	541,645	536,766
*Deficit		
Earnings per share and Dividend Record:		
Earned	$0.061	$0.103
Paid	0.06	0.11
No. of shs. outstanding	5,326,699	5,326,699
Working capital	$603,633	$514,105

Central Patricia

While the labor shortage affected 1942 production and earnings, Central Patricia Gold Mines was able to maintain ore reserves at 487,739 tons of 0.39 oz. grade compared with 442,499 tons a year previous. A total of 138,790 tons of ore was milled in 1942—an average of 380 tons daily compared with 391 tons for 1941.

At the year end, drifting in the main ore zone with satisfactory results was proceeding on four new levels, established off the internal shaft at 2,200, 2,350, 2,500 and 2,650 ft. depth. The 2,650-ft. level—the most advanced—showed 175 ft. of ore grading 0.20 oz. to 0.31 oz. across widths of 6 to 9.2 ft.

Development continues limited. Capital expenditures are being kept to a minimum.

Income and Surplus Account Years Ended December 31

	1942	1941
Production	$1,720,634	$1,950,549
Less: Marketing	21,055	23,960
Net production	1,699,579	1,926,589
Less: Surface explorat.	11,260	25,841
Explor. & develop.	200,812	177,364
Mining	437,745	434,025
Milling	162,012	183,200
General expense	98,014	89,945
Admin. expense	30,355	32,505
Operat. profit	759,381	983,709
Add: Sundry revenue	25,865	29,041
	785,246	1,012,750
Less: Depreciation	124,925	138,022
Taxes	176,786	248,018
Outside exploration	2,288	8,535
Net profit	481,247	618,175
Less: Dividends	375,000	575,000
Surplus for year	106,247	43,175
Add: Prev. surplus	817,856	884,681
Less: Securities w/o	......	110,000
Surplus forward	924,103	817,856
Earnings per share and Dividend Record:		
Earned	$0.19	$0.25
Paid	0.15	0.23
No. of shs. outstanding	2,500,000	2,500,000
Working capital	$1,157,573	$925,983

Bonetal

A profit of $2,755 was realized by Bonetal Gold Mines in 1942.

Before allowing for write-offs, operating profit was $35,009 which enabled the company to continue development. Sufficient ore is stated to be indicated to allow operations and exploration to be continued for over a year. Most of the proposed exploration will consist of diamond drilling below the present levels. Ore continues to be milled at the Broulan Porcupine mill.

Balance sheet at Dec. 31, 1942, shows $8,188 current assets against current liabilities of $653.

Broulan Porcupine

With production increasing in the latter part of the year, Broulan Porcupine Mines 1942 output and profits were only slightly below those of 1941. Earnings were equal to 11.8 cents a share as against 12.4 cents for 1941.

Broulan production varies greatly from quarter to quarter depending on grade of ore hoisted in mining and the company follows a practice of carrying over output from one quarter to another to equalize results. Accordingly, in the last quarter of 1942, $46,227 considered abnormal production, was carried over to 1943 as a production reserve in the balance sheet.

Estimated ore reserves at the end of 1942 (605,700 tons of 0.207 oz. grade) have a good content 4½ times that of the gold produced in 1942 and show a reduction of 12.8% below the content at the end of 1941. The drift to the company's eastern claim adjoining Pamour—where drilling has indicated ore—is within 1,620 ft. of the northwest corner of the claim.

Income and Surplus Account Years Ended December 31

	1942	1941
	$	$
Production	1,038,594	1,067,658
Less: Marketing	12,707	13,052
Development	56,285	72,900
Mining	267,828	244,409
Milling	95,415	89,456
Ore sorting	8,691	7,822
General mine expense	59,946	61,608
Ins., mun. taxes	21,025	18,392
Head off. expense	15,882	17,450
Operat. profit	500,845	542,569
Add: Interest earned	394	501
Less: Taxes	74,000	75,000
Depreciation	68,853	92,170
Development w/o	41,309	41,667
Net profit	317,077	334,233
Less: Dividends	161,640	242,460
Surplus for year	155,437	91,773
Add: Prev. surplus	485,043	393,271
E. P. T. refund	1,950	......
Surplus forward	642,430	485,044
Earnings per Share and Dividend Record:		
Earned	$0.118	$0.124
Paid	0.06	0.09
No. Shs. Outstanding	2,694,005	2,694,005
Working capital	$364,938	$78,554

Hudson Bay

A net profit of $7,324,080 was realized by Hudson Bay Mining & Smelting Co. in 1942, equal to $2.66 a share. This compared with $6,992,630 or $2.54 a share for 1941.

During 1942, the company established new high records for tonnage of ore mined and metal produced. Gross revenue reached the figure of $22,482,732 compared with $20,342,831 in 1941. Taxes were up from $2,600,000 to $3,450,000.

Contracts for sale of copper and zinc at substantially prewar prices to the British Ministry of Supply have been extended without change for another year, states President R. H. Channing. A similar arrangement has been arrived at with the Canadian Government.

"Mining claims in the Lac du Bonnet (Bird River) area in Manitoba were taken under option and exploration work, drilling and metallurgical tests on the ore are being carried on," Mr. Channing states.

Formation of Emergency Metals to mine and treat ore from the former Mandy mine is also reported by Mr. Channing.

Toburn Gold

With operations suffering from a continuing labor shortage following the strike ending Feb. 12, 1942, Toburn Gold Mines profit was cut in half last year. But working capital was well maintained after paying dividends at a reduced rate.

Development replaced approximately half the ore milled, with reserves at the end of 1942 totalling 93,400 tons of 0.53 oz. grade compared with 114,325 tons of similar grade a year previous.

Reviewing development, Mine Manager M. W. Hotchkin states: "It is most difficult at this time to express any opinion as to the probable outlook for ore in terms of volume and grade on the east side of the dyke fault at the deeper levels on Toburn because insufficient work has been done to base any opinion." However, Mr. Hotchkin noted three ore-bearing veins have been found in a fracture zone 120 ft. wide on the 2,100-ft. level between the dyke fault and Sylvanite. Other showings of ore at depth have also been secured.

Income and Surplus Account Years Ended December 31

	1942	1941
Output, less mkt. exp.	$722,088	$1,083,457
Less: Operat. exp.	481,573	571,096
Administration exp.	7,180	7,661
Net operat. earnings	233,335	504,700
Add: Misc. earnings	7,232	......
Less: Dom. & prov. tax	50,704	141,295
Deprec. & depletion	40,218	54,341
Net profit	149,645	309,064
Less: Dividends	240,500	333,000
Deficit for year	90,855	23,936
Previous surplus	360,485	546,107
Less: Explor. exp.	37,950	160,686
Continental Kirkl'd	......	1,000
Balance forward	231,680	360,485
Earnings per share and dividend record:		
Earned	$0.081	$0.17
Paid	0.13	0.18
No. of shs. outstand.	1,850,000	1,850,000
Working capital	767,288	853,502

Staff Changes

The Bank of Montreal announces the following staff changes:

W. K. ROSS, accountant, St. Henri, Montreal, to be accountant Lachine, Que.

J. L. WALKER, of head office, to be accountant Beaver Hall, Montreal.

F. M. ALLAN, accountant, Lachine, to be accountant St. Antoine and Windsor, Montreal.

F. H. G. WRIGHT, accountant, Beaver Hall, Montreal, to be accountant, St. Henri, Montreal.

K. G. FLETT, Newarket, to be accountant at that branch.

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Established 58 Years

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London, Ontario
Rates for Rooms as Follows:—
Single room without bath, $2.75; running water and toilet.
Single room with shower, $3.00.
Single room with bath, $3.50.
Single room with tub and shower combination, $4.00.
Double room without bath, $4.00; running water and toilet.
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Soliciting your appreciated patronage.
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Are a Sound Investment
At a time when economy counts, it pays to order clothes that, because of their fine fabrics and workmanship, will continue to look well and feel well long after other clothes are discarded.
Choose now from our collection of distinctive British materials.
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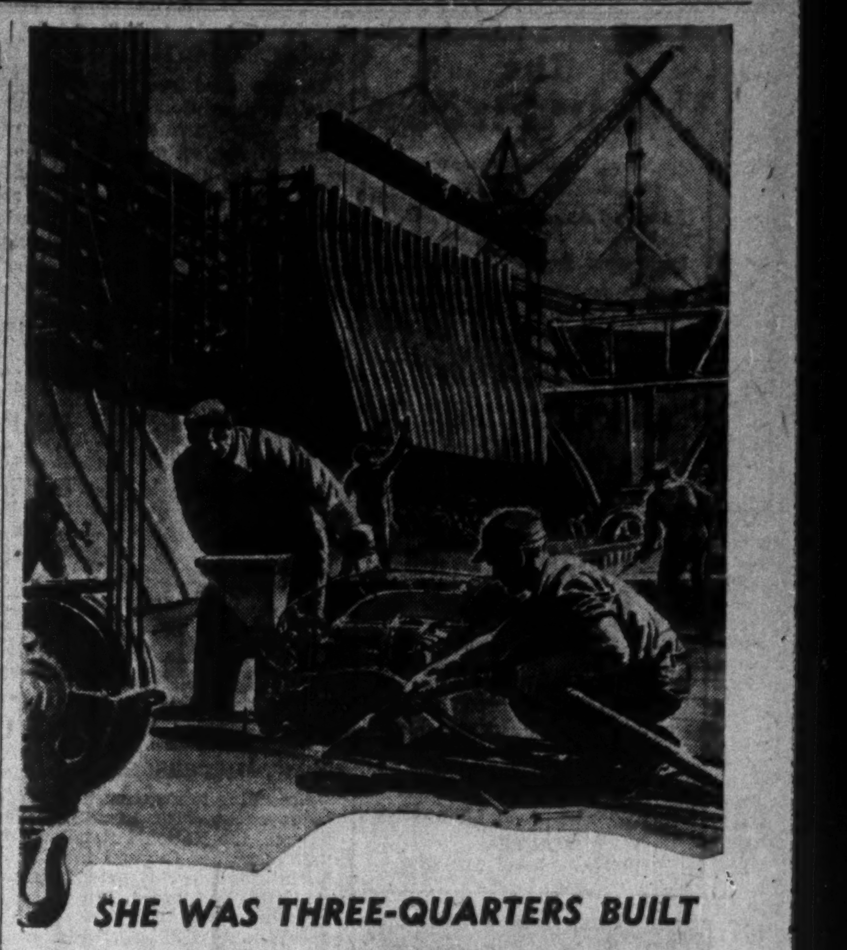

SHE WAS THREE-QUARTERS BUILT BEFORE WE LAID THE KEEL!
. . . and air-at-work pioneering helps do it again.
By actual count, more than 150,000 feet of weld had been completed on this record-breaking ship before the keel was laid! And as the welding machines swing into action to finish the job, we notice that they are automatic steel-stitchers which need only a human hand to set them speeding across the seams 20 times faster than former methods!
It's another of our industrial miracles, a process of welding that is literally invisible because it takes place under a granular and molten blanket of glass-like material known as "Unionmelt." And thanks to knowledge of pneumatic collecting that goes back to Sturtevant's pioneer work on centrifugal compressors . . . these welding seams of 1943 are being swept clean, valuable unfused "melt" is "collected efficiently and without contamination. Thus, with the help of air at work, ships are welded faster, cheaper, more efficiently at every major shipyard on the North American Continent.
Here, again, yesterdays of Sturtevant pioneering are working for Victory. ENGINEERED AIR makes the difference in another skill that United States and Canada have learned at War . . . that we will use to build a better Peace.
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Factory Galt, Ont.
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Sturtevant
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Banking Service
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BANK of NEW SOUTH WALES
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EMPLOYMENT . . . OF THE PEOPLE . . . BY THE PEOPLE
FRED: "What's that you say? Life insurance savings pay a lot of wages? Whose wages?"
FRANK: "Might even be ours. You don't suppose they keep it hoarded away in a big gold pile, do you? No, they finance jobs like this all over the country."
THE premiums your Uncle John has paid to protect the future of Aunt Jane and the kiddies, may have rolled back into your pocket. Perhaps you're working on the construction of a munition plant, or on new housing for munition workers. If so, the chances are that part of your wages have been paid out of savings your neighbours have put into life insurance.
In peace time these savings may have built the school you used to go to, or the hospital where your baby was born. Certainly they helped develop the electricity which cooks your Sunday dinner. The paper you read, the street car you ride on, even the coins you spend, are at your service partly because of insurance investments in Canada's forests, mines and factories.
Four million of you insurance owners keep a lot of money circulating through the country. Your savings, great or small, ranging all the way up from a few dollars a month, have made life insurance a great business democracy. You people own the assets . . . over two billions of dollars . . . always on call when you or your dependents need help or protection, and yet always circulating to make more jobs for more people. And since, today, victory is everybody's business, your life insurance companies are investing every dollar they can of your savings in Victory Bonds. They help to pay workers who are making the tools of victory.
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LIFE INSURANCE

The Wawanēsa

Mutual Insurance Company
—ORGANIZED IN 1896—

Admitted Assets - -	$3,819,972.11
Surplus - - - - - -	2,014,637.07
Dom. Govt. Deposit	1,939,324.33

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Occidental Life

Data received from the Occidental Life Insurance Co. of California, too late for The Financial Post life insurance issue last week, shows more than 22% of the company's investments to be in bonds. Mortgages account for almost 53%. The rate of interest earned on invested assets was 4.81% against 4.79% the year before. Details follow:

Analysis of Invested Assets

	1942 %	1941 %	1940 %	1939 %
Bonds:				
Government ..	5.4	3.1	2.6	3.2
Municipal	2.2	2.5	3.1	4.8
Other	14.4	9.8	12.2	15.3
Total	22.1	15.4	17.9	23.3
Mortgages:				
Farm	1.9	3.2	4.4	6.1
Urban	51.0	55.1	47.0	37.7
Total	52.9	58.3	51.4	43.8
Policy loans	7.5	8.6	9.2	10.2
Stocks:				
(a) Preferred .	4.0	2.7	2.7	2.0
(b) Common .	5.7	5.9	6.5	6.3
Real estate	4.5	5.7	7.7	6.1
Other	3.3	3.4	4.6	8.3
GRAND TOTAL .	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance 1942, 4.81%; 1941, 4.79%.

Consideration received from annuities, 1942, $1,413,027; 1941, $1,859,997.

Membership of I. F. I. C. Now Increased to 56

According to a statement from the Independent Fire Insurance Conference, the National Retailers Mutual Insurance Co. and the Central Manufacturers Mutual Insurance Co. have expressed their intention of joining the conference. This makes a total of 56 Dominion and provincial licensed company members.

Ontario Silknit Ltd. has declared a dividend of $1 per share on the 7% preference stock, payable April 15, 1943, to shareholders of record March 31; ex-dividend March 30. Dividend arrears as at March 15, 1943, after allowing for the latest disbursement, amount to $29.75 per share.

Life Companies Earn Lower Interest Rate

Of 29 Canadian Concerns Answering Questionnaire, 25 Report Lower Returns; Attribute This to Gov't Policy and Victory Bond Investments

Of 29 Canadian life insurance companies answering a Financial Post questionnaire, 25 earned a lower rate of interest on invested assets in 1942 than in 1941. Only four earned a higher rate.

Executives of these companies believe the downward trend will continue. They point out that government policy has been to encourage money at lower interest. Heavy investments in Victory Bonds are another factor and repayments of higher interest bonds and mortgages are not being matched by new borrowings in this field. The following table shows the effect of these trends on investment earnings.

Canadian Companies	1942 %	1941 %	1940 %	1939 %
Canada Life Assurance	4.15	4.21	4.14	4.29
Commercial Life Assurance	4.49	4.45	4.43	4.68
Confederation Life Association	4.32	4.46	4.46	4.58
Continental Life Insurance	4.67	4.78	4.74	4.70
Crown Life Insurance	4.45	4.63	4.73	4.86
Dominion Life Assurance	4.46	4.55	4.78	4.67
Dominion of Canada	4.33	4.52	4.58	4.87
Eaton Life Assurance	4.49	4.55	4.52	4.67
Empire Life Insurance	4.48	4.59	4.86	4.53
Equitable of Canada	5.15	5.00	5.00	4.98
Excelsior Life	4.41	4.53	4.56	4.80
Fidelity Life Assurance	3.58	4.08	3.27	3.28
Great-West Life Assurance	4.05	4.06	4.17	4.04
Industrial Life	5.00	5.05	5.10	5.03
Imperial Life Assurance	4.14	4.21	4.26	4.34
London Life Insurance	4.53	4.68	4.59	4.69
Manufacturers Life Insurance	4.18	4.51	4.45	4.64
Maritime Life Assurance	4.62	4.70	4.89	5.03
Mutual Life of Canada	4.57	4.59	4.62	4.68
Monarch Life Assurance	5.26	5.17	5.21	5.19
Montreal Life Insurance	5.03	5.10	5.15	5.02
National Life Assurance	4.71	4.73	4.83	4.74
North American Life Assurance	4.39	4.58	4.63	4.68
Northern Life Assurance	4.68	4.56	4.47	4.71
Sovereign Life Assurance	5.14	5.40	5.12	5.14
Sun Life of Canada	3.85	3.98	3.96	4.02
Sauvegarde Insurance	4.36	4.54	4.60	4.80
Toronto Mutual Life	4.78	4.82	5.46	4.80
Western Life Assurance	5.05	5.36	4.45	4.90
United States Companies				
Aetna Life Insurance	3.75	3.70	3.74	3.63
Metropolitan Life Insurance	3.67	3.67	3.67	3.83
New York Life Insurance	3.53	3.65	3.75	3.85
Occidental Life Insurance	4.81	4.79	4.81	4.80
Prudential of America	3.67	3.67	3.77	2.93
Travelers	...	...	3.98	4.13
Union Mutual Life	3.71	3.69	...	...
British Companies				
Mutual & Citizens	...	4.78*	4.90	4.90
Prudential of England	...	4.37	4.33	4.67
Royal Insurance	...	3.28	3.53	3.75
Standard Life Assurance	...	...	5.00	5.04

*Ordinary branch.

Company Reports

Tooke Bros.

Tooke Bros. Ltd. reports a sharp increase in consolidated earnings in 1942, totalling $248,777 comparing with $142,588 the year before. After provision for an increase of nearly 300% in taxes, net profits were equivalent to $5.45 a share on the preferred, as against $4.41 the year before.

The balance sheet shows a maintenance of net working capital after providing for the redemption of the balance of the outstanding funded debt of $110,300.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$248,761	$142,571
Add: Other income ..	16	17
Total earnings	248,777	142,588
Less: Exec. remun. ...	42,800	32,030
Directors' fees	1,200	......
Legal fees	202	341
Depreciation	28,166	27,433
Interest	1,904	8,483
Inc. and E. P. taxes	*120,810	29,772
Bond premium	......	1,125
Net profit	53,694	43,044
Add: Previous deficit	186,146	229,550
Less: Refund tax	11,296	......
Deficit forward	121,155	186,146
*Refundable portion $11,296 included.		
Earned per share:		
Preferred	$5.45	$4.41
Balance Sheet Changes		
Investments	$12,551	$551
Accounts receivable .	552,459	522,016
Inventories	500,311	396,620
Bank loans	475,000	349,150
Funded debt	......	110,300

Canada Starch

Canada Starch Co. reports moderate improvement in total income in 1942, but due to higher provision for depreciation and the creation of a new reserve against future inventory depreciation, net profit declined to $1.01 a share, as against $1.86 in 1941.

Sales last year showed a satisfactory increase, according to G. F. Benson, Jr., president, but profits were held down due to higher costs of raw materials and supplies and the curb of ceiling prices.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating income	$840,290	$808,773
Less: Salaries, etc. ...	91,889	79,063
Depreciation	187,909	135,943
Invest. loss	1,500	1,206
Inventory res.	45,000	......
Tax provision	239,000	267,500
Net profit	274,991	325,061
Less: Pfd. dividend ..	214,837	214,837
Com. dividend	29,662	29,662
Surplus	30,492	80,562
Previous surplus	530,873	597,474
Add: Sub. dividends .	15,000	152,835
W/o goodwill	......	299,999
Surplus forward	576,365	530,872
Working capital	$1,794,594	$1,674,414
Balance Sheet Changes		
Cash & govt. bonds ..	$368,397	$ 15,588
Bank loan	725,000	373,000

Thos. J. Lipton, Inc.

Despite low inventories, it is believed that tea stocks of Thomas J. Lipton, Inc., New Jersey, will shortly be boosted by new shipments sufficiently to continue sales on the present restricted basis. Stocks at the beginning of 1942 were large, R. B. Smallwood, president, says in the statement for the year ended last December.

Dried soup manufacture is expanding rapidly, he reported, and was a factor in the increased profit over 1941. A dehydrating plant was erected at Albion, N.Y., by a subsidiary. To erect this plant and provide working capital $750,000 was borrowed at 4% interest, payable Dec. 31, 1947, by the subsidiary.

Consol. Income, Surplus—Years Ended Dec. 31	1942	1941
Oper. profit	$1,694,619	728,492
Add: Other income ..	20,436	4,491
Less: Exps., deprec. ..	596,236	472,167
Taxes	*533,000	85,300
Conting.	250,000	......
Net profit	335,819	175,516
Less: dividends	78,000	78,000
Surplus on year	257,819	97,516
Add: Prev. surplus ...	1,567,560	1,469,990
Refund. tax	18,000	......
Surplus forward	1,843,323	1,567,506
Earned per share, pfd.	$6.46	$3.37
Paid	1.50	1.50
Common (no pay't)	0.64	0.24
*Includes post-war refundable tax of $18,000.		
Working capital	$2,418,795	$1,588,189

Amalgamated Electric

Amalgamated Electric Corp.'s operating profits in 1942 at $559,352 were more than double those of the preceding year. After higher provision for depreciation and taxes, earnings on the common stock were equal to $1.28 a share, as against 95 cents in 1941. Dividends paid increased from 25 to 55 cents a share.

Betterment in earning power is reflected in the stronger balance sheet position.

The principal changes are in higher accounts receivable and inventories, against which there is a bank overdraft of $343,172.

In his report to shareholders P. F. Sise, president, says the volume of orders on hand, the larger proportion of which are for special war materials, indicates that the present rate of operations of the company's various plants will be maintained at least for some months.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$559,352	$228,609
Add: Other income ...	......	2,762
Total earnings	559,352	231,371
Less: Exec. remun. ..	33,227	27,673
Directors' fees	1,880	2,140
Legal fees	1,337	1,569
Depreciation	228,970	68,281
Inc. & E. P. taxes ..	* 185,509	51,908
Net profit	108,429	79,800
Less: Common divids.	46,426	21,103
Surplus for year	62,003	58,697
Add: Prev. surplus ..	178,536	56,515
Earned surplus forw'd	240,539	115,212
*Refundable portion $15,001.		
Earned per share:		
Common	$1.28	$0.95
Paid	0.55	0.25
Working capital	$821,980	$693,790
Balance Sheet Changes		
Cash	$5,256	$56,127
Accounts receivable .	467,162	752,180
Inventories	1,303,256	724,024
Bank loans	343,172	......
Accts. payable	496,223	173,997

Oka Sand & Gravel

Consolidated Oka Sand & Gravel reports net loss in 1942 of $44,739, as against $20,778. Owing to adjustment in property values, mining rights, etc., the surplus account shows a deficit forward of $1.4 millions, compared with $512,557 at the end of 1941.

The changes in valuation are reflected in the balance sheet which shows a substantial markdown in the value of land, plant and equipment.

In Feb., 1942, it was reported the scheme of reorganization would be outlined in a letter from the company's solicitors. In the current report, Frank M. Ross, president, says negotiations are still being carried on with a view to reorganizing.

Income, Surplus—Years Ended Dec. 31	1942	1941
Net loss	$ 44,739	$ 20,778
Add: Net loss on fleet	41,289	......
Equip. demolished ..	698	......
Total loss	86,725	25,197
Previous deficit	512,557	481,123
Add: Excess prop. w/o	462,739	......
W/ mining rights ..	143,000	......
Depreciation	254,760	......
Less: Land value inc..	55,227	......
Sale of assets	......	10,656
Adjustments	......	......
Deficit forward	1,404,554	512,557
Working capital*	$384,720	$391,817
*Excess of liabilities.		
Balance Sheet Changes		
Cash	$ 27,696	$ 18,256
Accts. receivable	34,723	25,122
Inventories	28,494	24,720
Fleet	533,110	598,850
Plant, etc.	302,737	711,412

Power Corp. Group Output Declines

Associated and affiliated companies of Power Corp. of Canada produced 241.6 million kw.h. of electrical energy in Jan. This contrasts with 258.5 million kw.h. for Jan., 1942, a decline of 6.55%.

Comparative figures on output by individual companies follow:

	1943	1942
B. C. Power	77,145,889	69,686,757
Canada Northern .	51,379,414	54,773,854
East Kootenay ...	8,643,296	11,415,126
North. B. C. Power	1,729,792	1,584,060
South. Canada Pr.	19,754,890	22,430,930
Winnipeg Electric	82,936,300	98,630,100
	241,589,581	258,320,847

Prudential of America

Data from the Prudential Insurance Co. of America was received too late for inclusion in The Financial Post's regular life insurance number last week, so is published herewith. It shows the company to have total business in force amounting to $20 billions compared with $19 billions a year ago. Business in Canada at the end of 1942 was $626 millions compared with $585 millions. The company writes ordinary, industrial and group insurance.

Details of the company follow:

Head Office—Newark, New Jersey.

Canadian Officers—
H. P. Douglas, mgr. (ordinary bus.) for Quebec and chief agent for Canada, with head office in Montreal; A. R. Traynor, Dominion supervisor for company's industrial agencies which are operated in all parts of Canada.

Growth of Business in Canada

Year:	Assets $	Business in Force ($ 000)	New Ins. Effected ($ 000)
1936	101,507,321	506,257	72,086
1937	101,761,964	521,230	72,879
1938	109,866,509	524,939	61,564
1939	116,120,210	530,518	57,718
1940	116,532,628	547,957	61,280
1941	125,334,942	585,428	71,331
1942	136,152,401	626,745	72,604

Total Operations in Canada and Elsewhere
Insurance in Force
(000,000 omitted)

	Ordinary	Industrial	Group	Total
1942 ..	10,643	7,544	1,995	20,182
1941 ..	10,245	7,396	1,908	19,549

New Insurance Effected
Paid for exclusive of increases, revivals and annuities
(000,000 omitted)

	Ordinary	Industrial	Group	Total
1942 ..	825	598	142	1,565
1941 ..	1,095	685	110	1,890

Total premium income, 1942, $701,128,046; 1941, $666,592,127.

Policy payments: To live policyholders 1942, $237,900,226; 1941, $255,867,338.

Death claims 1942, $148,971,082; 1941, $146,843,313.

Canadian Operations Only
Insurance in Force
(000 omitted)

	Ordinary	Industrial	Group	Total
1942 ..	320,449	285,258	21,038	626,745
1941 ..	290,785	276,123	18,518	585,427

New Insurance Effected
Paid for exclusive of increases, revivals and annuities.
(000 omitted)

	Ordinary	Industrial	Group	Total
1942 ..	42,294	24,126	6,183	72,604
1941 ..	37,054	30,491	3,785	71,330

Total premium income 1942, $22,325,618; 1941, $20,249,927.

Policy payments: Live policyholders 1942, $7,683,602; 1941, $8,273,079; death claims 1942, $3,798,726; 1941, $3,492,226.

Analysis of Invested Assets
(Total Company)

	1942 %	1941 %	1940 %	1939 %
Bonds:				
Government .	35.2	27.5	24.6	23.5
Municipal ...	3.7	5.3	5.8	6.2
Other	22.3	24.2	24.8	24.3
Total	61.2	57.0	55.2	54.0
Mortgages:				
Farm .... Urban	23.6	24.6	25.0	24.9
Policy loans and prem. liens ...	6.4	7.3	7.9	8.4
Stocks:				
(a) Preferred (b) Common	1.6	1.5	1.8	1.9
Real estate	2.9	3.9	4.8	5.4
Other	4.3	5.7	5.3	5.4
GRAND TOTAL	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance 1942, 3.67%; 1941, 3.67%.

Consideration received from annuities (Canada) 1942, $121,871.66; 1941, $183,060.41.

LOAN CHAIRMAN

T. D'Arcy Leonard, K.C., Toronto, who has been appointed acting chairman for Ontario of the National War Finance Committee. Mr. Leonard is assuming this post because of the illness of A. E. Arscott, Ontario chairman since establishment of the committee. Mr. Leonard is general manager and director of Canada Permanent Trust Co. and a director of Canada Permanent Mortgage Corp.

Insurance Notes

Application has been made to the Manitoba Legislature to change the name of the **National Plate Glass Insurance Co.** to the National General Insurance Company; and to increase the capital stock of the company from $30,000 to $500,000, divided into 5,000 shares of $100 each.

The petition also requests the company be given power to carry on fire, automobile, and various lines of miscellaneous insurance in addition to plate glass insurance which it is already authorized to write.

* * *

Three appointments in its Alberta organization have been announced by the **Canada Life Assurance Co.** L. D. Hogan, formerly unit manager, becomes branch supervisor at Calgary; C. M. Short becomes inspector at Lethbridge in association with district manager J. E. Thompson; Miss Laurie Sutherland has been named unit manager at Calgary.

Mr. Hogan has been with the Canada Life since 1937, has consistently qualified for the company's production clubs and was appointed unit manager at Calgary in 1941.

Mr. Short joined the Canada Life in 1941, earning membership in the Century Club in less than five months. He has already earned promotion to the Quarter Million Club for the current year. Miss Sutherland has frequently been a member of the Century Club since joining the Canada Life in 1925. She was an officer of this club in 1941.

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Insurance Adjusters
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You Mean You Aren't Insured?

- Surprising as it may seem — plenty of motorists still throw caution to the winds by driving without full liability insurance, not realizing that a serious accident may cripple them financially for the rest of their lives.
- Are You one of them? If so by all means see your Norwich Union agent today. Ask him for the comforting protection of adequate Norwich Union Public Liability and Property Damage Coverage.

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Fire Insurance Society, Limited
Head Office for Canada: 12 Wellington St. East, Toronto
E. M. WHITLEY, *General Manager for Canada.*

SAVE YOUR *Sympathy* for this Man's Employer

- It is the "trusted employee" who too often proves untrustworthy.
- It is the trusted employee who has the opportunity to steal when the pressure of some personal financial emergency breaks down his habitual honesty. He merely "borrows" — hoping to pay back — but the hope is seldom realized, and each "advance" makes the next easier.
- Safeguarding financial resources with Fidelity Insurance is an essential and commonsense requirement for all business — large and small. Your Consolidated agent will be glad to give you full information on Fidelity Insurance.

ONE OF THE SHAW & BEGG GROUP

Consolidated
FIRE & CASUALTY INSURANCE COMPANY
Insurance Exchange Building — 14-24 Toronto Street, Toronto.

"My National Life Policies Provide Protection and Security"
. . . says Mr. James McGavin

James McGavin, President McGavin Limited, Wholesale Bakers, Calgary, Edmonton, Vancouver. President Barbara Ann Baking Company Los Angeles, California. President Edmonton Credit Company, Calgary, Alberta.

A successful business man of Western Canada, Mr. McGavin firmly believes that life insurance is today, more than ever, a key to financial stability and security.

"In a world of uncertainty," says Mr. McGavin, "life insurance is a certain investment which provides a sense of security and protection and enables holders of life insurance policies to look to the future with confidence. That's why I consider my National Life policies sound investments."

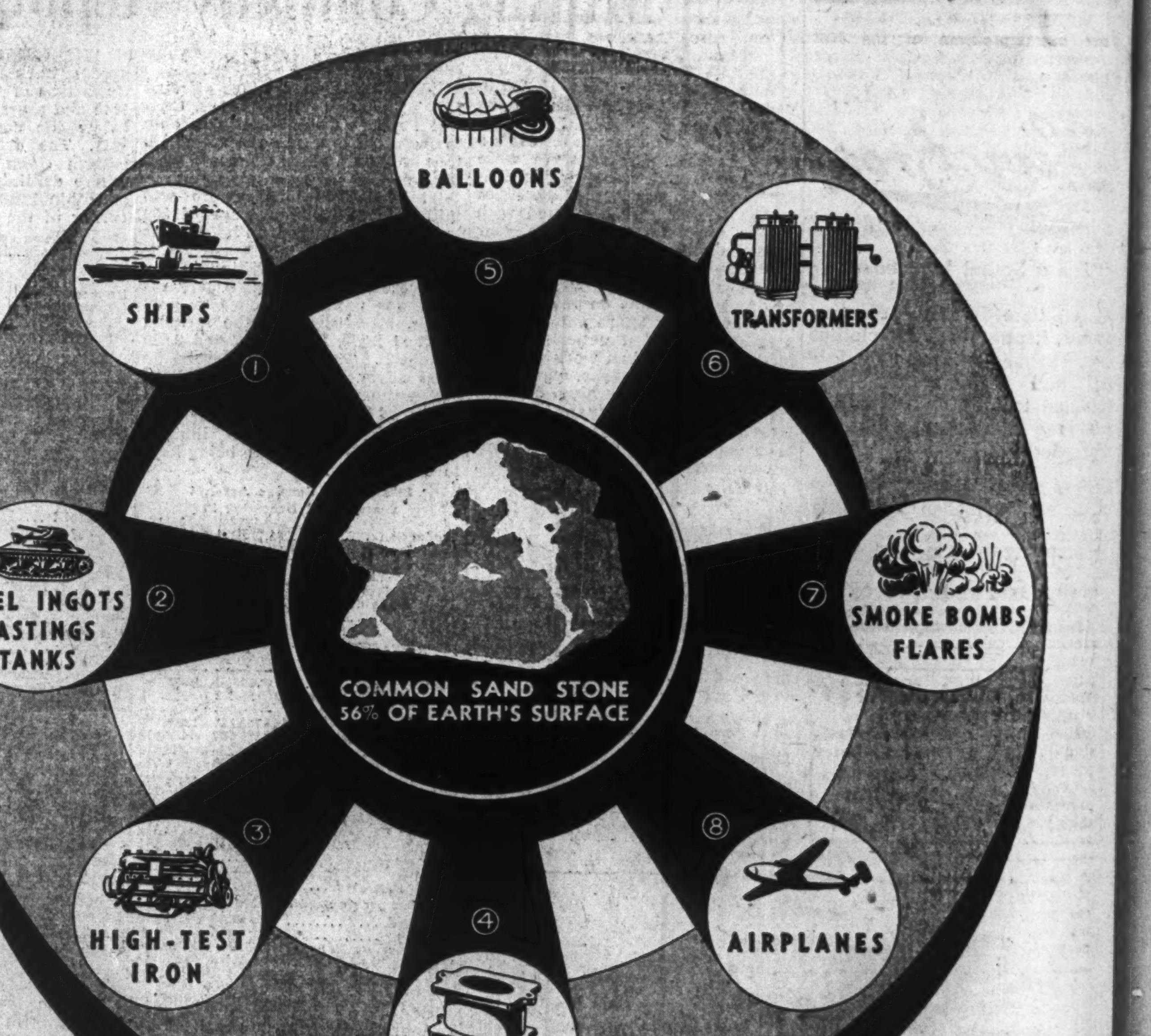
The National Life Assurance Company of Canada
Home Office Toronto
Established 1897

DEPENDABLE!
THE PORTAGE MUTUAL INSURANCE CO.
EST. 1884
MUTUAL SERVICE WITH SECURITY
THE SHIELD OF PROTECTION

STAUNCH as our fighting men in their resolve to carry through . . . The Portage Mutual, during 59 years of service, has weathered major disaster, economic upheaval and war. These have strengthened the Company by re-kindling its vigorous, pioneer spirit. Today it stands firm and confident, a strong bulwark in Canada's war economy.

FIRE and WINDSTORM

The PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY
PORTAGE LA PRAIRIE, MAN. WINNIPEG, REGINA, EDMONTON



1. Ferro Silicon 50%
2. Ferro Silicon 75/80%
3. Calcium Silicon (Meehanite)
4. Ferro Silicon 24/30%
5. Ferro Silicon 80/85%
6. Ferro Silicon 85/95%
7. Calcium Silicon
8. Aluminum Silicon Alloy

THE HUB OF THE WHEEL IN *War Industry*

In peace-time a Canadian company shipping to all parts of the world — today geared to 100% war production on these vital requirements of the United Nations!

ST. LAWRENCE ALLOYS & METALS LIMITED
BEAUHARNOIS, QUE.

Budget Basis Sound Beardsley Ruml Says

Canada's "Pay-as-you-go" Tax Problem Not U. S. Financier's Conception, But He Believes it is Good Step

From Our Own Correspondent

VANCOUVER. — While stating that Canada's "pay-as-you-go" income programme differs from his own conception, Beardsley Ruml, chairman of the Federal Reserve Bank of New York and author of the tax plan bearing his name, believes that Hon. J. L. Ilsley, Minister of Finance, has made a sound approach to the situation.

Mr. Ruml recently addressed a meeting of the Vancouver Board of Trade and conferred with west coast bankers.

"The budget message promises that after July 1 there will no longer be any planned back liability for income tax debt on earned income for anyone in Canada," said Mr. Ruml. "You will be on a current basis and, if you make your payments when they fall due, no misfortune causing loss of income during your lifetime can result in your savings being taken for income assessed on the income of a year ago.

Deepest Significance

"On matters so far advanced, a visitor's comments, even if well informed, would be out of place. Mr. Ilsley's observations in his budget speech relating to the role of taxation in postwar financial planning seem to have the deepest and most hopeful significance.

"Since a solution of the income tax debt problem is clearly one sound element in postwar financial planning, it is an easy step to move on to a consideration of some of the activities getting under way in the United States that may have a certain importance in shaping, through planning, what may take place domestically after the war.

"In certain quarters there is a prejudice against the word 'planning' that probably springs from apprehension that planning may lead us into a regimented way of life. Just the opposite is the case. Planning is to regimentation both antithesis and antidote. Regimentation springs up after planning has failed."

Talks Postwar

Mr. Ruml said he believes that if free society is to be maintained, jobs—millions of them—must be made available in the shortest possible time after the war ends, and the burden of providing those jobs will rest largely upon private industry. In the United States he estimates that it will be recessary to create 10 million more jobs than there were in 1940, and he emphasizes the need for planning for this now.

"Jobs stem from the output of goods and services," said Mr. Ruml. "In 1940 the gross output of goods and services in the United States totalled $100 billions—a record for a peacetime year. War goods constitute less than $2 billions of that amount. In this year of 1943, gross output is expected to total $155 billions. Of this total war goods are expected to account for $84 billions, civilian output $75 billions.

"In that postwar year, when we hope to have civilian employment for 56 million people, our output of civilian goods and services will have to exceed $135 billions, or 38% over the $98 billions of 1940. In addition, it is expected that production of military goods will continue at the rate of perhaps $10 billions.

"It is anticipated that even though we assume an orderly curtailment of war production and a gradual demobilization of our armed forces, these two tasks will have been substantially completed within two years. That means we have but two years to bring about the complete transition from a war to a civilian economy—two years in which to raise the output of civilian goods and services from the very low level then prevailing to the new record-breaking heights which must be reached if millions of men are not to be found walking the streets looking for jobs."

Wood Supply Governs Newsprint Production

American Publishers Association Reports That Other Factors Have Not Been Established as an Immediate Threat to Output

From Our Own Correspondent

MONTREAL.—Wood supply is the basic problem of the North American pulp and paper industry, particularly in Canada, it was indicated by a survey made by the American Newspaper Publishers Association. It has not been established, says a report on this, that other factors are an immediate threat.

The report continues:

"Probably the most revealing fact disclosed by this study is that as a result of a better than expected wood cut in Canada this season, no shortage of pulpwood for newsprint making exists in Canada. Meanwhile, some of the talk of the need to cut newsprint consumption has been based largely on the wood supply in the United States where newsprint manufacturing is a small factor in the pulp and paper industry. In other words, at times it has appeared as if an effort was being made to becloud the situation by lumping newsprint with the entire paper and pulp industry in the United States although newsprint is primarily a Canadian product.

"Treating North America as a single unit in paper and pulp production opens the possibility at times of overlooking the strictly specialized aspects in so far as newsprint and Canadian paper and pulp potentialities are concerned. Another government agency in Washington—OPA—does not automatically treat North America as a single unit in considering newsprint price ceilings

"Another important aspect of the paper and pulp situation which should have careful consideration as to the newsprint supply is that there is a minimum of wood waste in making newsprint paper. A ton of newsprint requires only about one cord of wood while papers using considerable sulphite such as book, tissue and writing papers require about two cords of wood per ton. Also, there has been a steep increase in manufacture and use of sulphite papers since 1939, while newsprint production in the United States and Canada has remained fairly stable.

Suggest New Approach

"Since wood is admittedly the critical factor in the paper and pulp situation, the logical conservation step would seem to involve cutting the relative use of papers which are heaviest wood consumers. Sulphite papers take nearly 40% of all the pulpwood produced in North America. By comparison, newsprint uses less than 20%. It does not follow automatically that all reductions in paper and pulp consumption should be on the flat percentage basis for every kind of paper.

"Price factors are also importantly involved in any step that would further curtail the Canadian newsprint production. Because of the high capital investment in newsprint mills, there have been estimates that another 10% reduction in newsprint consumption would add from $2 to $3 a ton to the cost of manufacturing. This in turn would bring pressure to add to the $4 a ton price increase which went into effect on March 1.

"Just because there has been delay of any further reduction in newsprint consumption by WPB order and presumably until at least July 1, there should be no relaxation in efforts of newspapers to reduce newsprint consumption to an absolute minimum. Reports from all daily newspapers show that much has been accomplished by newspapers individually in reducing consumption and they are urged to continue those efforts with reinforced energy."

SAVE TO WIN

To meet the demands of war we must divert expenditure from unnecessary things and *save*. Open a Savings Account with us, and put your savings on a systematic basis. Save according to plan and have the money ready when the government calls for it. This Corporation has been doing business in Canada since 1855.

2% on Savings—Safety Deposit Boxes $3 and up —Mortgage Loans.

CANADA PERMANENT
Mortgage Corporation
Head Office, 320 Bay St., Toronto
Assets Exceed $62,000,000

J. A. Lang Shares Offered Public

Distribution Being Made at $14.20 a Share of Stock Already Issued

A public offering is being made of 10,000 shares of John A. Lang & Sons no par value common stock at a price of $14.20 net per share, which includes the Montreal Stock Exchange's regular commission rate. This does not represent new financing but comprises two blocks of stock which have been acquired by Greenshields & Co. and McLeod, Young, Weir & Co.

On the basis of the 70 cents a share annual dividend rate plus an extra of 30 cents a share paid in the past two years, the yield on the stock is 7%.

Increase in Profits Expected

The annual report for the year ended Dec. 31 scheduled for release at an early date, is expected to show an increase in net profit available for dividends as compared with 1941 and 1940. In those years, net profit amounted to $144,040 and $142,427, respectively, equivalent to $1.44 per share in 1941 and $1.42 per share in 1940.

Net working capital has shown improvement over several years and a figure of approximately $1 million is indicated as the net at the end of 1942.

LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY *Adelphi*

LONDON. — The nation does not like Mr. Churchill to be ill. It does not think of him in those terms. His vitality has always seemed indifferent to threat of germs. Above all, the nation was deeply perturbed by the fact that three doctors signed the bulletin. One doctor may mean a cold in the head, two doctors a dilemma, but three doctors mean business.

Therefore great was the joy when it became known that the Prime Minister had been allowed to smoke a cigar. It was regarded as the equivalent of a major victory.

The Prime Minister himself has often said that the Churchills are like those whom the gods love—they die young. But since he is an exceptional man in every way he may disprove his own saying.

* * *

The Beaver's Cure?

My own impression of what helped his recovery was the news of the row in the House of Lords. That peaceful son of Canada, Lord Beaverbrook started it. Lord Beaverbrook has suddenly become extremely active in the Upper House, speaking sometimes twice in a week. As a former minister he always speaks at the table from the front Opposition Bench.

The other day he delivered a most forceful plea for an immediate second front in Europe. I went along to hear it and thought it admirable, but the Peers "ganged up" on him in the most astonishing manner. Lord Trenchard contended that he was raising an irresponsible clamor and said icily: "As there is a shortage of newsprint the editors of the newspapers controlled by the noble lord may only have room to report his speech in full." Beaverbrook took it without comment, which shows what the English climate can do to a Canadian.

As the fight was on, Admiral Lord Chatfield, former First Lord, told Lord Trenchard to leave the Navy alone. Then Viscount Brabazon described the Peers who were former admirals as "Alexander's Ragtime Band," a reference, of course, to A. V. Alexander, the First Lord of the Admiralty.

Viscount Simon as Lord Chancellor then reproved Lord Beaverbrook. As mover of the motion, Lord Beaverbrook had the right to reply and laid about him in all directions. The august Chamber had a real day out.

* * *

Cripps Out for Good?

Which brings me to Sir Stafford Cripps. You may remember how stubbornly I held to the opinion that he would resign. He obligingly helped me out as a prophet by resigning as leader of the house, and from the war cabinet, although he took on the job of Minister of Aircraft Production.

Now I am going to start prophesying again. In my opinion Sir Stafford is going to resign again and this time completely.

His critics say that he is making too many speeches to the workers and they object to his starting the speeches with "Comrades" instead of "Ladies and Gentlemen." Another row is brewing over Cripps' demand that he be allowed to put government directors on the board of any company if, in his opinion, production would be improved. Hitherto that has only been done when a firm has proved unsatisfactory in its management.

Cripps" opponents say that the difference is a vast one. To replace incompetent directors is one thing but to add government directors to boards which are competent is too big a breach with tradition.

Cripps will either have his way or resign. In either case I think he will resign.

* * *

Bevin and Morrison

And finally in this chain of personalities we come to Ernest Bevin and Herbert Morrison. They are very much in the centre of the stage, and in the palaces and the pubs there is much discussion about their future.

You will recall that last week Mr. Bevin ran foul of the Labor Party. He said that if they voted against the government on the Beveridge report he would resign. Herbert Morrison did not say as much in words but gave them to understand that he and Bevin were as one.

Labor did vote against the government but Bevin and Morrison have not resigned. This, of course, is a pretty kettle of fish. The Labor Party does not want these two ministers to leave the government. It knows that the country would be very angry if they did. But what about party discipline?

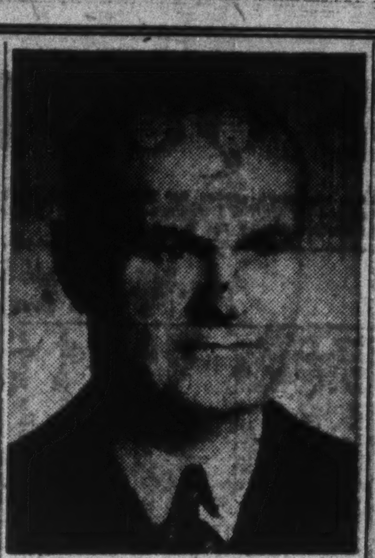
The Socialists act on the principle that the party is absolute master of the individual. In fact it is frequently said they are always led from behind. Cripps was expelled from the Labor Party because he would not conform to its dogma.

But what can be done about the two minister who refused to come to heel? Supposing instead of resigning from the government they should get it into their heads to resign from the Labor Party! That prospect is making the socialists tremble like a jelly.

Obviously Bevin and Morrison would not disappear from the political scene. Instead would they not form a National Parliamentary Party to support Churchill? Then would perhaps Churchill give up the leadership of the Tories and become a National Prime Minister?

It is making the left wing flutter. If only the socialists could forget their ultimatum to Bevin . . . If only they could take back the harsh words spoken . . . if only . . .

Yet what about party discipline? I ask you!



POWER EXECUTIVE

Norman P. Woods, who has been appointed assistant treasurer of Shawinigan Water & Power Co. and treasurer of the Quebec Power Co.

The thoughtful Husband

Wise indeed is the husband who gives full protection to his dependents by placing his affairs in the hands of an experienced and well managed Trust Company. When you appoint us administrator of your estate we are constantly mindful of the fidelity and the responsibility your confidence entails.

Consult one of our Trust Officers in Confidence

Montreal Trust Company
ESTABLISHED 1889
Montreal Trust Building, Toronto

THE **ONTARIO LOAN AND DEBENTURE CO**
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1942), $13,389,021

150,000 RAILWAY WORKERS

REPORT

TO CANADA AT WAR!

Last year, we hauled 150 million tons of materials, foods and munitions . . . double the pre-war traffic.

We carried Twenty Million NEW passengers . . . fighting men and war workers.

We built tanks, guns, shells, ships.

Twenty-two thousand of us were with the armed forces of our country.

Now, we are busier than ever providing the mass transportation that only the railways can furnish.

The country depends upon us to do this job. We must move the troops. We must handle freight. And, with your cooperation, it will be done.

IF POSSIBLE AVOID TRAVEL OVER WEEK-ENDS AND HOLIDAYS

GIVE TO THE RED CROSS

CANADIAN PACIFIC • CANADIAN NATIONAL

CARRYING THE LOAD IN WAR AND PEACE

THE WEEK'S QUOTATIONS

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

STOCKS NOT TRADED THIS WEEK

	Div. rate $	Last sale	Mar. 15 Bid	Ask.
St. Law. Flour	1.40+.50	24	25½	..
Do., pref.	7	115	120	..
Stand. Chem.	...	13	15	..
Stand. Clay	...	3½	4	6½
St. Pav. & Mat. pf.	.62½	8	..	8
Stedman Bros.	.60+.60	18½	18½	..
Sterling Coal	...	4½	..	5
Stop & Shop	...	.15	.25	1.00
Stuart, D. A., pf.	.80+.25	12	1½	12
Supersilk H. A.	...	1½	1½	..
Do. (B)	...	2½	2	3
Do., pref.	5	65	65	70
Sup. Pete. Ord.	1	18½	20	21½
Do., com.	1	18	..	..
Tamblyn, pref.	2.50	52½	52½	..
Thayers	...	1.25	1.25	..
Do., pref.	2	18	..	20
Thrift Stores, c.	...	4	4	4½
Tooke Bros.	...	1.75	1.50	..
Do., pref.	...	25	25	30
Tor. Mtge.	5	80	75	86
Traders Bldg.	4	46½	44	..
Traders Fin. (A)	...	6½	6⅝	..
Do. (B)	...	5½	5½	..
Do., pref.	6	70	66½	74
Tuckett Tob., p.	7	154	156	..
Twin City	...	6½	5½	6½
Do., pref.	3.50	28½	..	..
Un. Amuse. (A)	.80	13	13½	..
Do. (B)	.80	13½	13½	..
United Distill.	.10	1.15	1.15	..
United Secs.	...	8½	8	..
Viau Bisc.	...	3	3½	..
Do., pref.	5	50	47	..
Walkerville Br.	.05	1.25	1.25	..
W. Koot Pr., p.	7	136	..	..
West Grain, pfd.	...	20	..	25
West Grocers, c.	3+2	72	75	..
Wood. A&J, p.	7	70	70½	82

♦Paid in 1942. ▲On arrears. *Net after corporate income tax. ‡Initial. •Interim.

Mining Stocks

	Div. rate	Last sale	Mar. 15 Bid	Ask
Amm. Gold	...	.01½	.01½	.01½
Arno	...	.03	..	.02½
Astoria Quebec	...	.05	.04½	.05
Berens River	.12	.60	.61	..
Brazil Gold	...	.02	.01	.02
Brett Trethewey	...	.00½	.00½	.01
Camp Bird	...	.06	.06	..
Cartier Malartic	...	.01	.01	..
Cent. Manitoba	...	.02½	.02½	.03½
Chromium	...	2.45	2.30	2.65
Coniagas	...	.90	.80	1.00
Delnite	.06	.60	.53	..
Dentonia	...	.00½	.00½	.01½
Flin Flon	...	.01	.02½	..
George Copper	...	.20	.15	..
Glenora	...	.02	.01½	.01½
Golconda	...	.05½	.06	.06½
Golden Gate	...	.05	.04	.05
Goodfish	...	.01½	.01½	.01½
Grandview	.02	.16	.14	.18
Gurney Gold	...	.01	..	.01
Halcrow Swayze	...	.03	..	.03½
Hallnor Mines	.40	3.15	3.00	3.25
Home Gold	...	.00½	.00½	..
Indian Mines	...	.01½	.01½	..
Island Mountain	♦.13	.85	.75	.90
Jacola	...	.01½	.01½	.02
Joliet Quebec	...	.02½	.02½	.02½
Kerr Lake	...	.10	.13	..
Kirk. Gold Rand	...	.01	.02	.04
Knee Lake	...	..	.00½	.01½
McGillivray C.	▲.02	.22½	.17½	.23
McVittie Graham	...	.05	.05	.05½
Mentor Explor.	...	.20	..	..
Nicola	...	.00½	..	.00½
Norgold	...	.04	.03½	.04
Northern Empire	♦.30	1.50	1.25	2.00
Packsack	...	..	..	.05
Pacific Nickel	...	.09½	.09½	.13
Pato Cons. G.	♦.40	2.25	2.10	2.35
Pawnee Kirk.	...	.01	..	..
Placer Devel.	▲.50	7.50	7.37½	..
Prospectors Air's	...	.23	.20	..
Quatsino	...	.03½	..	.03½
Quebec Gold	.02	.20	..	.25
Quemont	...	.07½	..	..
Salmon Gold	...	.00½	..	..
Shawkey	...	.02½	.02½	.02½
Silbak Prem.	.16	.85	.80	..
Sudbury Contact	...	.03	.03	.03½
Sunlock	...	.11	.10	..
Surf. Inlet	♦.01	.04	.04	..
Taylor Bridge	...	.02	.02½	.04
Toburn Gold	.04	.55	.64	..
Winnipeg R. Tin	...	.00½	.00½	.00½

Oil Stocks

	Div. rate	Last sale	Mar. 15 Bid	Ask
Amalgamated	♦.04	[illegible]	.10	.16
Federated Pete	♦.01½	[illegible]	..	..
Four Star	...	[illegible]	.01⅛	..
Grease Creek	...	[illegible]	.01	..
Marvel	...	[illegible]	.01½	.04
Petrol Oil & Gas	...	[illegible]	..	..
Royal Canadian	...	[illegible]	.03½	.04½
Royal Crest	...	[illegible]	.01	..
Spooner	♦.03	[illegible]	..	.09
Sunset	...	[illegible]	.08½	..

♦Paid in 1942.

Supplementary Stock Quotations

(Furnished by Plaxton, McDonnell & Co., Toronto)

Showing Bid and Asked at Mar. 16, and changes in bids from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
Allens Lond. Thea., pfd.	53½	56½	+1
Atlas Steels 7% 2nd p.	106	107½	..
Brantford Roofing, c.	2½	3½	+½
*Can. Gen. Rubber, pfd.	..	21	..
Can. Paving, 1st pfd.	11	..	..
Can. Tea 7% pref.	29½	..	..
Can. West. Lumber, c.	.20	.35	..
Cawthra Apts., pref.	2½	3½	—½
Claude Neon, 7% pref.	2½	3½	—½
Commer. Life, 10% pd.	6	8	..
Copland Brewing	.90	..	..
Dover Industries	7½	..	..
Dubuisson Gold	.14	.16	—1
Federal Fdries. com.	.21	.28	+1c
†Ft. Wm. Hotel units	..	45	..
Indust. Accept., 5% pf.	79	..	—1
Insce. Exch. Bldg., com	1½	1½	..
Loew's London Th., pf.	7½	8	..
Medical Arts com.	77	83	..
Milton Brick, com.	.20	..	..
Monarch Mtge., units	.50	..	..
Mont. Deb. Corp., pref.	2	3	..
Muskoka Lakes Navg'n.	1½	..	..
Nat. Hosiery, com.	.95	1.30	+5c
Do., pref.	.95	1.20	+5c
†Nor. Amer. Elev. 1st pf.	86	..	+1
*Do., 2nd pfd.	28	..	..
Do., com.	..	1	..
Que. Pulp & Paper, p.	24½	26	—2
Ritchie Cut St., pfd.	1	..	..
Sawyer-Massey, com.	.20	..	..
St. John Dry D. 5½% pf.	96½	99	..
Sincennes McN., com.	1.85	..	..
Supertest Pete., 6% pf.	26½	27½	+1
Tip Top Tailors Inc. un.	5½	7½	..
West. Can. Hydro, pf.	11½	12½	+1
Windsor Hotel, com.	3	3½	..
Woods Manfg., com.	5½	6½	—1

*Issue carries arrears.
†Currently paying on arrears.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Nat. Light & Pr.	▲6%	1949	Apr. 1	102
Victoriaville Furn.	6%	1951	Apr. 1	102
Nat. Grocers	•4%	1947	Apr. 1	102½
Saguenay Pr.	•4½	1966	Apr. 1	102
Can. Pac. Rly.	3%	1945	Apr. 1	102
Econ. Inv. Tr.	5%	1957	May 1	102½
Un. Grain Gr. B.	5½%	1949	May 1	102
Do. (C)	4½%	1948	July 2	102
Do., (A)	5%	1948	July 2	101
Gen. St. Wares	4%	1945	Apr. 15	101½

▲A & B. •$500,000. *$36,000.

Stock Issues:				
Para. Pict.	6% 1st pf.		Apr. 1	part
Can. For. Inv.*	‡8% Pref.		Apr. 1	105

†Plus accrued dividend. Conversion feature on stock to be redeemed expires March 18.
‡Subject to approval FECB. *1,800 sh.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.79	3.06
Can. Int. Trust	4.25	4.75
Can. Invest. Fund	3.60	3.95
Can. Investors	4.90	— ...
Corp. Investors	5.80	6.20
Trans-Canada	10.40	11.30

Oil Stocks

Range 1943 High	Low	Div. Rate %	Mar. 6 Yield %	Company	Sales	Last Mar. 8	Week Ending Mar. 15 High	Low	Close
.14	.06	....	....	Acme G.&O.	8,100	.12	.12½	.11½	.12½
.18	.09	....	....	Alta. P. C.	1,500	.14½	.14	.11½	.11½
.21	.13	....	....	Ajax	5,268	.17	.20	.20	.20
.07½	.03½	....	....	Anaconda	2,650	.06	.05½	.04½	.04½
.65	.45	▼.04	....	Anglo Can	4,400	.60	.62	.56	.60
.30	.19½	....	....	Br. Dom.	30,600	.28	.29	.26½	.26½
.13	.14½	....	....	Brown Oil	5,500	.10½	.10	.09½	.09½
1.64	1.15	▼.10	....	Calg. & Ed.	3,090	1.55	1.57	1.42	1.42
.32	.21	....	....	Calmont	4,400	.20	.28	.25	.25
.20	.16½	.02	....	Commoil	3,000	.17½	.17½	.17½	.17½
.27	.20	....	....	Common P.	500	.25	.26	.26	.26
.43	.29	....	....	Dalhousie	3,100	.35	.38	.32	.32
.23	.10	....	....	Davies Pete.	11,400	.21	.20½	.18	.18
.15	.11½	....	....	East Crest	36,700	.13	.13	.11½	.11½
1.30	.78	....	....	Foothills	2,300	1.25	1.25	1.10	1.10
.17	.10	....	....	High Sarcee	2,200	.13	.14	.12½	.12½
3.50	2.65	▼.15	....	Home	10,075	3.40	3.40	3.15	3.20
.05½	.03	....	....	Homestead	15,000	.03½	.03½	.03½	.03½
.04½	.01	....	....	Madison	1,500	.03½	.03	.03	.03
.03	.01½	....	....	Marjon	2,500	.02½	.02	.02	.02
.12	.05	....	....	McD. Segur.	520	.09	.09	.08	.09
.08½	.05	....	....	Mercury	2,000	.07½	.07	.06½	.06½
.09	.07	....	....	Mill City	1,000	.09	.07	.07	.07
.29	.20	▼.06	....	Model	2,500	.27	.25	.23	.23
.08	.05	....	....	Nat. Pete.	2,000	.07½	.07½	.07½	.07½
.08½	.03½	....	....	Nordon	2,500	.06	.06	.06	.06
.04½	.02½	....	....	Oil Select	500	.04½	.03½	.03½	.03½
.65	.38	▼.02	....	Okalta	1,300	.56	.59	.54	.54
.09	.04½	....	....	Pacalta	32,000	.06½	.06½	.05½	.05½
.34	.20	....	....	Pac. Pete	1,000	.25	.30	.30	.30
25.50	21.00	1.00	4.1	Royalite	295	24.50	24.50	24.00	24.25
.07	.03½	....	....	South End	21,500	.06	.05½	.05	.05
.32	.20	....	....	South W. Pete	1,000	.26	.25	.25	.25
1.05	.75	....	....	Texas Can	20	1.00	.90	.90	.90
.09½	.04½	....	....	United Oils	2,000	.07½	.07	.06	.06
.09½	.06	....	....	Vanalta	500	.07½	.07½	.07½	.07½
.15	.09½	....	....	Vermilata	19,100	.13½	.14	.12½	.13
.36	.20	....	....	Vulcan	100	.33	.28	.28	.28

* Yield including bonus. ▼Paid in 1942. † Initial.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Mar. 16	14,700	6,900	233,000	......
Mar. 15	10,200	10,300	329,000	......
Mar. 13	11,400	6,100	201,000	......
Mar. 12	23,300	5,000	353,000	71,950
Mar. 11	13,300	8,600	294,000	33,750
Mar. 10	16,100	13,700	272,000	27,620

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)
March 16, 1943

Public Utility Issues:	Int. Rate %	Due	Bid Mar. 16	Ask.	Bid Mar. 9
▲Alg. Cen. H.B.R.	5	'59	25½	27½	26
†Assoc. Tel. & T.	5½	'55	87	90	86
B. C. Power	4½	'60	101	103	101
B. C. Tel.	4½	'61	106½	108½	106½
†Calgary Pwr.	5	'60	109	111½	109½
Do.	5	'64	105	107½	105
†Can. Nor. Pwr.	5	'53	105½	107½	105½
•Dom. Gas & El.	6½	'45	109½	111½	109½
Gatineau Pwr.	5	'49	101½	103½	101½
•Do., A	3½	'69	103	105	103
♦Do., B	3½	'69	101	103	101
Gt. Lakes Pwr.	4½	'56	102	104	102
Do.	5	'57	99½	102	99½
•Int. Hydro-El.	6	'44	53	56	52
▲Inter. Power	6	'55	101	..	101
L. St. Law. Pwr.	5	'55	100½	102½	101
Macl'n-Que. Pr.	4	'39	101½	103½	101½
Mtl. L. H. & Pr.	3½	'56	103½	105½	103½
Do.	3½	'73	101	103	101
Do.	3½	'63	101½	103½	101½
†Mtl. Tramways	5	'51	103½	105½	103½
†Do.	5	'55	87	90	87
Nat. Lt. & Pwr.	6	'49	102	..	102
N. S. Lt. Pr.	4	'37	101½	103½	..
Ottawa L.H.&P.	4	'57	103	105	103
Ottawa V. Pwr.	5	'59	101½	104	101½
†Power Corp.	4½	'59	95½	98½	95½
Quebec Pwr.	4	'62	103	105	103
•Saguenay P., A	4½	'66	111	113	111
♦Do., B	4½	'66	105½	107½	105½
St. Maurice Pr.	4½	'70	103	105	103
Shaw. W. & Pr.	4	'61	104	106	104
†Do.	4½	'70	112½	114½	112½
Do.	4	'69	104½	106½	104
Union Gas	4½	'50	97	100	97
•Twin C. R. Tr.	5½	'52	94½	97½	94½
†United Secs.	3	'52	95	98	95
‡Wpg. El. ser. A.	5	'65	93	96	93
Do., B	5	'65	90	93	90
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	66	68½	64
Do., C.O.D.	5	'53	61½	64½	61½
Acadia Sugar	4½	'55	100½	102½	100½
Do.	6	'54	95½	98½	95½
†Alta Pa. Grain	6	'46	105½	107½	105½
Algoma Steel	5	'48	102½	105	102½
Atlantic Sugar	4	'51	101½	103½	101½
†B. C. Pulp & P.	6	'50	93½	96½	93
‡†Do.	7	'50	70½	74½	74½
•Brown Co.	5	'59	86	89	85½
Burns & Co.	5	'58	78½	81½	79½
Canada Cement	4½	'51	103½	105½	104
Canada Electric	4½	'65	97	100	97
Can. Paper	4½	'52	100	102	100
Can. Steamship	5	'57	102	104½	102½
Can. Canners	4	'51	103	..	102½
•Can. Int. Paper	6	'49	107	109	107
‡Can. Locomotive	6	'53	102½	105	102½
‡†Candn. Vickers	6	'47	97	99½	97
C.P.R.	3½	'51	100	102	99½
Do.	4	'49	104	106	104
Col. Steamships	5	'54	101½	103½	101½
†Consol. Paper	5½	'61	69	72	69½
Dom. Coal	4½	'52	98	101	98
Dom. Scott. Inv.	4	'52	100½	..	100½
Dom. Stl. & Co.	6½	'55	104½	107	104½
Dom. Tar	4½	'51	102½	104½	102½
Dom. Woollens	5	'53	98	101	98
†Donnacona Pap.	4½	'56	80	82½	80
•Dryden Pap.	6	'49	104	..	104
†East. Dairies	6	'49	92	95	92½
Famous Players	4½	'51	102	104	102
†Federal Grain	6	'49	107	109	107
†Fraser Cos.	6	'60	103	106	103
Galt Brass	5	'50	96	98	96
Gen. Stl. Wares	4½	'50	102	104	102
•Gt. L. Paper	5	'52	93	95½	93
•Gurney Fdry.	5½	'55	94	97	95½
†Gypsum Lime	5½	'49	103	105½	103
Ham. By-Pr. C.	5	'48	101½	104	101½
Do.	5	'55	101	103½	101
Ham. Cotton	4½	'56	100	102	100
Inter-City Bak.	5½	'50	102½	104½	102½
Indust. Accept.	4	'62	90½	93½	89½
Ins. Ex. Bldg.	3	'31	55	58	55
•Inter. P. Nfld.	5	'68	98	100	98
•Inv. Bond & Sh.	5	'47	43	46	43
†Kingston Elev.	6	'50	104½	107	104½
Lake St. J. P.	5½	'65	86	89	86
Do.	5	'61	61	64	62
Legare	6	'41	93	96	93
Maple L. M.	3	'58	97½	100	97
Man. Sugar	5	'60	103½	106	103½
Massey-Harris	4½	'54	99	101	98½
McColl-Fron.	4½	'49	101½	103½	101½
McCormicks	4	'53	99½	101	99
Do.	4½	'53	103	104	103

Corporation Bonds (Cont'd)

Mercury Mills	5	'59	99	101	99
Mersey Paper	5	'37	93	96	93½
†Do.	6	'49	94	97	94
•M. & O. Paper	5	'60	102½	104½	102
Moirs Ltd.	6	'53	78	..	78
‡Mtrl. Drydocks	6	'48	90	93	90
Montreal Apts.	3½	'54	51	54	50½
N. S. Stl. Coal	5	'63	83	86	83
Price Bros.	4	'57	95½	98½	95½
Do.	5½	'37	80	83	80
•Prov. Paper	4½	'47	104	106	104
Reliance Grain	6	'52	100½	103	102
†Restigouche Co.	4½	'48	103	106	103
Rolland Paper	6½	'51	101½	103½	101½
Ruddy, E. L.	6	'48	91	..	91
Silv. Dairies	4½	'66	95	98	95
Simpsons, Ltd.	4½	'51	101	103	101
Smith, Howard	6	'51	102½	104½	102½
Stand. Lime	6	'44	98½	..	98½
Sterling Coal	3	'45	99	101	99
Stop Shop	6	'47	74½	77½	74
United Amuse.	5	'56	100½	..	100½
United Corp.	5½	'53	97	100	97
•United Gas	5	'48	106	109	106
United Gr. Grs.	6	'48	101	..	101
†Western Grain	6	'49	84½	87½	85

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
•Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.87	$11.62	$10.08
Hogs	17.22	17.08	15.35
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2186	.22	.2024
Sugar, raw, lb.	*.0374	.0374	.0374
Wheat, Man. (bu.)	.97⅞	.94½	.78⅛
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	102.9	102.7	96.9
Dow Jones (fut.)	91.23	91.58	87.16
Wood, Gundy	80.2	79.7	76.6
Fishers	111.3	111.1	103.4
Monthly Indices			
Canada (D.B.S.):			
Retail (Feb.)	116.9	117.1	115.7
W'sale (Jan.)	96.9	97.0	94.3
U. S. (Dec.)	101.0	100.3	93.6
Gt. Brit. (Dec.)	161.5	161.0	155.0

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper - electrolytic, New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis. Cotton, raw, spot, N.Y.

*Ceiling prices fixed by the office of Price Administration.

Municipal Bonds

March 16, 1943

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	116.00	119.00	3.56
Hamilton	5	1950	110.00	113.00	2.95
Montreal	5	1945	96.00	99.00	*
Ottawa	4½	1945	104.00	105.50	2.07
†Quebec	5	1959	113.50	116.50	3.64
Saint John	5	1950	105.00	108.00	3.83
†Toronto	4½	1955	119.00	122.00	2.35
†Vancouver	5	1970	107.50	110.50	4.34
Winnipeg	5	1944	100.00	103.00	1.95

†Payable Can. & N.Y. *Flat.

Bond Tenders

5 p.m. Apr. 5, Parish of St. Colomb of Sillery, P.Q.—$45,500, dated May 1, 1943, redeemable in series within 30 years, renewable in 15 years, at 3½ per cent; $20,000 will be redeemable in first 14 years and $25,500, payable in 1958. C. Langlois, sec.-treas.

Mar. 18 Catholic School Trustees of St. Lambert, P.Q.—$213,500, 3½, 3¾ or 4 per cent, redeemable 1944-68.

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Mar. 16, 1943

%	Due	Bid	Ask.
2½	June 1943	100	100⅝
5	Oct. 1943	101⅛	101¼
2	June 1944	99⅞	100
1½	Sept. 1944	100⅛	101¼
a2½	Jan. 1944	104¼	105¼
4½	Oct. 1944	101⅛	102⅛
2½	Nov. 1944	100¼	101¼
a2½	Aug. 1945	101⅛	102⅛
4	Oct. 1945	100⅞	101⅛
2	Mar. 1945	99⅞	100⅞
2	Dec. 1946	106⅞	107⅞
4½	Feb. 1946	99⅞	100¼
2½	Mar. 1948	99¼	100¼
1½	May 1946	101¼	102
a2½	Jan. 1948	102⅜	103⅜
3½	June 1949	102⅜	103⅜
3½	Oct. 1949	102⅜	103⅛
3½	Nov. 1951	102¼	103¼
3½	Feb. 1952	103¼	104¼
a5	May 1952	99⅞	100⅞
4	Oct. 1952	106¼	107¼
a3	June 1951	101⅛	102⅞
3	Oct. 1952	100⅞	101¼
a3	Jan. 1953	101⅛	102¼
3	June 1955	99⅞	100⅞
a3	Nov. 1956	99⅞	100⅞
4½	Nov. 1956	106⅞	107⅞
4½	Nov. 1957	107⅞	108⅞
a3	Mar. 1954	100⅛	101¼
a3	Jan. 1958	100⅛	101¼
3	June 1958	99⅞	100⅞
4½	Nov. 1958	108⅞	109⅞
4½	Nov. 1959	109⅞	110⅞
a4	Oct. 1960	107	108
a3½	Jan. 1961	102¼	‡103¼
3½	June 1966	101⅞	102⅞
a3e	Jan. 1967	99⅞	‡100⅞
a3e	Nov. 1968	100	101
†3	Perpetual	94¼	95¼
Dominion Guarant'd Bonds			
Can. Nat'l. Railways:			
2½	Jan. 1946	100½	101¼
3	May 1944	101¼	102¼
3	Dec. 1950	100¼	101¼
3	Jan. 1959	99	100¼
*4½	Sept. 1951	120⅜	122¼
*4½	Feb. 1956	122¼	124
4½	July 1957	122⅜	124¼
3	Feb. 1952	99¾	101¼
4½	June 1955	124½	126
5	Feb. 1954	117¼	118¼
*5e	July 1969	118¼	119¼
*5e	Oct. 1969	124¼	126¼
*5e	Feb. 1970	124¼	126¼
Can. Nat. W. Ind. S. S.:			
5	Mar. 1955	125¼	127¼
Grand Trunk Pacific Rly.:			
3	Jan. 1962	105¼	106¼
Provincial Gov't. Bonds			
New Brunswick:			
3	Oct. 1951	95½	97½
3½	Aug. 1949	97¼	99¼
3½	June 1956	97¾	99¾
c4	Nov. 1947	110¾	112¼
c4½	Apr. 1961	112¾	114¾
c5	Jan. 1960	115¼	117¼
Nova Scotia:			
3	Jan. 1952	98¼	100¼
3½	June 1956	99¼	101¼
3½	Nov. 1950	100¾	102¾
c4½	Sept. 1952	113¾	116¼
c4½	Nov. 1960	116¼	118¾
c5	Mar. 1960	121¾	124¼
Ontario:			
2½	May 1945	99¾	101¼
3	Apr. 1948	100	101½
3	Nov. 1950	99½	101
3½	Nov. 1951	100½	102
3½	May 1955	100½	102
*4	June 1962	117	119
4½	June 1950	108¼	110¼
*4½	Jan. 1964	122¼	124¼
5	Oct. 1948	109¼	111
*5	Dec. 1960	127¾	129¾
5½	July 1946	107½	109
Ont. Hydro Commission:			
3	Aug. 1948	100	101¾
3½	Feb. 1953	100½	102½
3½	Apr. 1947	102¾	104¼
Prince Edward Island:			
4	Mar. 1954	101¼	103¼
Quebec:			
3	Nov. 1947	99¼	100¾
3½	Mar. 1948	99¾	101¼
3½	Mar. 1959	98¼	100¼
4	Nov. 1952	102¼	104
3½	Feb. 1955	100¾	102¾
4½	Aug. 1958	106¼	108
4½	Jan. 1963	109¾	112¼
Alberta:			
4½	Oct. 1956	75¼	78¼
4	Dec. 1954	73¼	76¼
*5	Oct. 1959	76¼	79¼
c5½	Apr. 1952	77	80
6	Mar. 1947	77¼	80¼
British Columbia:			
4	Dec. 1957	112½	114
*4½	Jan. 1951	113¾	116¼
c4½	Oct. 1953	114	116¼
c5	Apr. 1954	118¾	121¼
5½	Feb. 1945	103¼	104¾
6	Feb. 1947	109¼	110¾
Manitoba:			
c4	Dec. 1957	105	107
c4½	Dec. 1958	110	112
*5	Dec. 1959	113¼	115¼
5½	Oct. 1955	112¾	115¼
6	Apr. 1947	107¼	109¼
Saskatchewan:			
4	Sept. 1954	87	89½
4	Nov. 1960	85¼	88¼
c4½	Oct. 1951	97¼	99¼
c4½	Mar. 1960	91¾	94¼
5	Aug. 1958	96¼	98¼
5½	Oct. 1952	97¼	100
6	Mar. 1952	98	100¼

*-Payable Can., N.Y., & c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ♦-Calculated to 1950 average maturity. ■-Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Mar. 16, 1943

Industrial:	Bid	Ask.
Acme Farm., pf.	72	77½
Andian National	20	22
Anglo C. Tel., A	8½	9
Atlas Steels, c.	22	23½
Do., pref.	105	108
B. C. Pulp, c.	10	11
Do., pfd.	64	66
Barrymore Cl., p.	43	..
B. C. Sugar	73	..
B. C. Tel. p.	103	..
Brown, com.	1½	2½
Do., pfd.	31	33½
Burns & Co., A	7	8
Do., B	3½	4½
Can. Indust., A	165	169
Can. Co-op. Wool	8½	10
Can. Mach., c.	8½	9½
Can. Ing. Rand	62	66
Can. Mot. L.A.B.	7	8
Cap. W. Cloth	5	..
Do., pref.	18	21½
Col. Realty	2½	..
Chase, A. W., p.	16	18½
Colonial Steam.	56	..
Copeland F. un.	15	17
Dunlop T. p. $25	20½	22
East. Steel, p.	20	22
Fed. Grain, com.	1½	2
Do., pref.	70	77
Galt Brass, c.	9½	12
Goderich Elev.	8½	10½
Guard. Realty, p.	15	16
Guelph Carpet, c.	13	16
Gurney Fdy., p.	1½	2½
Hart Battery	5	..
Hayes Steel, c.	13	14½
High. Dairy, pf.	..	45
Inglis, John	5½	7
Ingram & Bell, p.	88	..
Kingst. Ship., c.	12	14
Loblaw Inc., c.	11	12½
Minn. & Ont. p. c.	4½	5
Mt. Royal Htl. c.	3	4

	Bid	Ask.
M'row Screw, p.	100	103½
Do., com.	14	16
Morrison Br. un.	6	7
Neilson, Wm., c.	10	..
Do., p.	100	..
N. Meth. Ldy. p.	75	..
Ont. Tobacco, p.	15	18
Prov. Paper, p.	94	97
Rel. Grain	..	21
Do., pref.	90	95
Stand. Fuel. p.	50	54
Stedman, pf. $50	54	57½
River. Silk, B	2	..
Sutton Horsley	½	1½
Tor. Carpet, c.	66	..
Do., pref.	66½	71
Un. Steel, A. pf.	23	24
Viceroy Mfg., c.	12½	..
Do., pref.	20	23
West. Grain, un.	..	21
Trust & Loan Stocks:		
British Mtge.	114½	127
Brockville Tr.	43	..
Cap. Trust	28	32½
Comm. Fin., c.	6	..
Grey B. Tr. $50	44	..
Guaranty Trust	100	103
Guelph & O. $50	46	53
Indust. Mtge.	25	28
Lambton Loan	33	..
Lon. & W. Trust	34	38
Midland Loan	14	16
Premier Trust	27	34
Sherbrooke Tr.	120	..
Sterling Trust	55	..
Trusts & Guar.	30	35
Victoria Trust	63	66
Waterloo Trust	100	..
Investment Trust Shares:		
Inv. Found. un.	41	43
Sec's. Hold., pf.	17	19½
Th. Can. Inv. Tr.	1½	2

Insurance Stocks:	Bid	Ask.
Brit. Amer.	51	53
Canada Life	315	335
Canadian Fire	72	78
Confed. 30% pd.	125	132
Cons. Fire	3½	..
Continental L.	31	34
Crown Life	257	270
Dominion Fire	133	138
D. of Can. Gen.	123	..
Dom. Life	175	200
Empire, 25% pd.	6	7
Excelsior 40% pd.	72	75
Fed. Fire 25% pd.	54	56½
Great-West Life	225	240
Halifax Fire	14	15
Imperial Life	245	270
Manufac. Life	215	..
Monarch Life	32½	35
National Life	8	10
Sov. L. 25% pd.	12½	..
Sun Life	278	300
Tor. General	4½	5½
Wellington Fire	58½	..
Western Assce.	36½	40
Do., pref.	41	44
Western Life	12	14½
Theatre Stocks:		
Allen's St. Cath. units	56	58
Do., Kingston	64	67
Do., Toronto, p.	36½	39
Manff. Theat., p.	58½	65
Para. Kitch. p.	50	..
Do., Oshawa, c.	9½	11½
Do., Oshawa, p.	83	..
Power Issues:		
Can. W. N. Gas	26	..
Do., pfd.	102	106
Gt. Lakes Pr., p.	100	103½
Int. Util. $1.75 p.	10	..
Do. $3.50 p.	36½	..
Mtl. Is. Pwr. p.	43	..

Unlisted Mines

Toronto, Mar. 16, 1943

	Bid	Ask.
Algm C	.17	.20
Adnrn	.30	.34
Alb Ro	.02	.05
Alb Rn	.07	.10
Amal K	.07	.08
Anoki	.01½	.02½
Arno	.02½	.03½
Arjon	.16	.17
Armisti	.36	.40
Area	.06	.07½
Arntfld	.00⅞	.01½
Athona	.00⅞	.02
Bayshor	.24	.26
Barb L	.03½	.04½
Brock	.05½	.06½
Clift C	.31	.34
Can Rad	.03	.05
Cen M	.02	.03
Chemin	.03½	.04½
Columb	.26	.28

	Bid	Ask.
C Chibog	.05	.07
De Snt n	.05	.05½
Dona Pt	.01½	.02½
Crowsh	.03	.06
Eastwd	.09	.11
Gunflt	.23	.26
Goodrk	.05	.07
Hayes C	.02½	.03
Harprs M	.08½	.09
Hoyl n	.09	.11
Hu PP	.03½	.04½
Kirk T	.08	.11
Laguere	.06	.11
Lk Gene	.05	.07
Largold	.16	.17½
Lowy P	..	.43
Magt C	.23	.26
Metalor	.17	.19
Mdwst I	.30	.32
Majorm	.40½	.43

	Bid	Ask.
Mart Bd	.04½	.05
Mat Co	.11	..
McMar	.11	.13
Moft Hn	.02	.03
Mosher	.07½	.09½
McMans	.01½	.03
Nat Ma	.21½	.23½
Naybob	.01½	.02
Nickl O	.75	1.00
Newbec	.01½	.02
Norbeau	.21	.24
Nor Tin	.19	.21
Oklend	.04	.05
OLry M	.03	.04½
Opemisk	.04	.07
Orpit	.02½	.03
Pascals	.22	.25
Pelangi	.02½	.03½
Pont Ro	.04	.05½
Pt Cldw	.27	.30

	Bid	Ask.
Propty	5.30	5.65
Presdor	.02½	.03½
Que M	.23	.25
Rand M	.13½	.15
Rebair	.37	.42
Ritoria	.02½	.03½
Rhyolit	.01	.02
SA GA	.10	.25
Ro D'Or	.09	.11
Sheldn	.11	.12
Springer	.20	.23
Stadaco	.09	..
Tombill	.05	.10
Toma I	.61	.66
Thom L	.11	.13
Tungold	.14	.16
Un Min	.03½	.04½
Uchi	.01½	.02½
Wesley	.02½	.03½
Yng Da	.19	.22
Vic Ore	.20	.22

OIL ROYALTIES

Producing Wells — Prices and Payments

	Mar. daily quota bbls.‡	Feb. daily quota bbls.‡	Nov. pay. 1% $	Dec. pay. 1% $	Jan. pay. 1% $	Total to Jan. 31 1% $	Offering price* per 1% $
Ace No. 1 gross	465	465	225.33	195.46	169.70	4,363.63	....
Alta. Oil Inc. No. 1 gr.	88	88	52.40	42.40	33.20	3,645.20	....
Do., No. 1 net	88	88	42.40	33.60	26.00	4,118.80	....
Do., No. 2 gr.	380	380	186.40	198.00	168.00	4,558.00	6,500
Do., No. 2 net	380	380	131.20	137.20	118.40	6,169.80	4,300
Allied No. 1 pfd.	93	93	34.74	41.60	37.31	1,565.25	1,500
Arrow No. 1 net	135	135	35.00	39.00	34.00	841.15	1,300
Do., No. 2 net	170	170	53.00	50.00	55.00	1,615.20	2,000
Atlas-Br. D. No. 2 pfd.	490	490	221.20	204.40	223.20	2,696.40	6,500
Atlas-Br. D. No. 3 pfd.	500	500	....	....	....	......	7,000
D. & D. net pfd.	75	75	28.00	28.00	28.00	1,893.80	1,000
East Crest No. 5	125	125	50.00	48.00	56.80	441.20	1,900
Independent No. 1 p.	200	200	....	99.79	97.02	......	3,400
Do., No. 1 gr.	200	200	93.97	85.03	82.40	2,301.58	....
Major Oil No. 1 pfd.	104	104	47.20	35.20	47.60	750.80	1,300
Do., No. 1 gr.	104	104	49.50	43.60	50.40	1,657.40	....
Do., No. 2 net	450	450	164.00	165.60	155.20	4,818.80	5,500
Do., No. 2 gr.	450	450	223.29	236.00	218.40	6,271.20	....
Do., No. 3 net	733	733	246.80	256.40	259.60	6,506.40	6,600
Do., No. 3 gr.	733	733	356.00	352.00	354.80	......	....
Do., No. 4 net	125	125	48.00	61.60	....	†2,158.80	3,000
Do., No. 4 gr.	125	125	62.80	50.00	81.60	3,528.00	....
Do., No. 7 pfd.	500	500	275.00	246.40	271.20	1,058.00	7,000
Do., No. 7 dfd.	500	500	....	....	....	......	4,200
Do., No. 7 gr.	500	500	281.60	216.40	248.00	1,750.80	9,000
Do., No. 8 pfd.	315	315	146.80	148.40	132.00	427.20	4,200
Do., No. 8 gr.	315	315	132.80	130.00	118.80	910.00	5,400
Do., No. 8 dfd.	315	315	....	....	....	......	1,500
Do., No. 9 gr.	350	350	153.60	151.60	147.60	1,313.80	....
Do., No. 9 pfd.	350	350	....	....	72.40	72.40	5,100
Do., No. 9 dfd.	350	350	....	....	....	......	1,900
Miracle No. 1 net	355	355	121.54	96.04	122.91	4,923.54	3,800
Do., No. 1 gr.	355	355	180.80	101.74	167.08	4,975.42	....
Do., No. 2 pfd.	220	220	141.16	156.19	....	......	3,200
Do., No. 2 gr.	220	220	120.40	137.40	62.80	1,042.92	4,400
Renown No. 1 pfd.	85	85	39.69	37.04	33.54	322.88	....
Winalta No. 1 pfd.	80	80	21.20	27.60	....	†3,489.10	900

*Approximately 25% over dealers' bid prices. †To Dec. 31 only.
‡Approximate.

Drilling Wells — Prices and Depths

Well:	Drilling depth ft.	Offering price per 1%
Bonaventure pfd.	9,292	$2,300
Bonaventure gross	9,292	5,700
Maryland pfd.	7,437	*4,375
Major Oil No. 6 pfd.	8,022	4,600
Major Oil No. 6 gr.	8,022	
Miracle No. 3 pfd.	7,894	4,600
Miracle No. 3 gr.	7,894	7,500
Northclonmel No. 1 pfd.	8,850	3,800
Northclonmel No. 1 dfd.	8,850	1,700
Northclonmel No. 1 gr.	8,850	7,000

Well:	Drilling depth ft.	Offering price per 1%
Northend No. 1 pfd.	8,949	2,500
Northend No. 1 dfd.	8,949	1,000
Northend No. 1 gr.	8,949	3,800
Northend No. 2 pfd.	6,450	....
Northend No. 2 gr.	6,450	....
National Vulcan No. 1	7,813	*4,375
Empire pfd. (Ont.)†	....	*1,100
Hi-Test Pet. pfd.†	....	*3,600
Kinsella Ltd.†▲	....	*2,100

*Pegged price. †Acreage royalty. ▲Carries stock bonus.

Annual Meetings

1943	Company	Place
Mar. 20	Okalta Oils	Calgary
Mar. 22	Bathurst P. & Paper	Montreal
Mar. 22	de Havilland Aircraft	Toronto
Mar. 22	Twin City Rapid	Minneapolis
Mar. 23	Can. Northern Power	Montreal
Mar. 23	Donnacona Paper	Quebec
Mar. 24	Canadian Eagle Co.	Toronto
Mar. 24	Capital Estates	Vancouver
Mar. 24	Montreal Cottons	Montreal
Mar. 25	Moore Corp.	Toronto
Mar. 26	York St. Buildings*	Toronto
Mar. 27	Pressed Metals of Am.	Port Huron
Mar. 29	Central Pat. Gold Mines	Toronto
Mar. 29	Canadian Breweries	Toronto
Mar. 29	Teck-Hughes	Toronto
Mar. 30	Preston East D. Mines	Toronto
Mar. 31	Alg. Cent. & H. B. Ry	S. S. Marie
Mar. 31	Fidelity Insurance	Toronto
Mar. 31	Lamaque Gold M.	Bourlamaque
Mar. 31	Massey-Harris	Toronto
Mar. 31	Rolland Paper	Montreal
Apr. 1	United Corporations	Montreal
Apr. 2	Leitch Gold Mines	Toronto
Apr. 6	Simpsons Ltd.	Toronto
Apr. 20	Asbestos Corp.	Montreal
Apr. 21	Borden Company	Flemington
Apr. 28	Intnl. Nickel	Toronto
Apr. 28	Western Grocers	Winnipeg
Apr. 29	Montreal Tramways	Montreal
Apr. 30	Ottawa Lt., H. & P.	Ottawa

*Bondholders.

Carnation Co. had earnings in 1942 of $2.7 millions, E. H. Stuart, president, reported at a recent meeting. This compared with $2.5 millions in 1941. After preferred dividends, profit was equal to $3.92 a common share, exclusive of $196,000 estimated for postwar refund tax bonds. In 1942 net per share was $3.97. The board of directors has been increased from nine to 11. New members are A. P. Herold, Seattle, Wash., and E. S. Hartwick, Milwaukee, secretary of the company.

Investment Notes

Borrowings of Toronto Stock Exchange members as of Feb. 27, 1943, totalled $7.1 millions, an increase of $683,297 over January and $1.4 million lower than Feb., 1942. At the same time, quoted market value of all listed stocks as at Feb. 27 totalled $4,153 millions and compared with $4,148 millions at the end of January. Ratio of borrowings to quoted market values amounted to .17 of 1% as at Feb. 27 compared with .15 of 1% in January and .25 of 1% in Feb., 1942.

* * *

Canadian Dredge & Dock Co. has declared a dividend of $1 a share, payable May 1 to shareholders of record April 1, 1943. This marks the first payment by this company since $1.50 a share was distributed early in 1940. Declaration of this dividend out of 1942 earnings indicates improvement in the company's position. The company expects to issue a statement shortly to outline factors leading to this improvement.

* * *

Winnipeg Electric Co.'s directors have authorized payment May 1 of interest on the series B general mortgage bonds at the rate of 5%. This is the first annual payment at 5%, as the issue was on a 4% basis until Jan. 2, 1942. The bonds will remain on an income basis until the beginning of 1947, when they go on a "fixed" basis.

Dividends Declared

	This payment $	Date payable	Date of record
Agnew Surpass, pf.	1.75	Apr. 1	Mar. 15
Asbestos Corp.	.20	Mar. 30	Mar. 1
Do., bonus	.10	Mar. 30	Mar. 1
Assoc. Brew., c.	.25	Mar. 31	Mar. 10
Do., pref.	1.75	Apr. 1	Mar. 10
Amer. Cyan. A. B	†.15	Apr. 1	Mar. 12
Do., pref.	†.12½	Apr. 1	Mar. 12
Aluminum, pref.	1.25	May 1	Apr. 1
Brant Cordage, p.	.32½	Apr. 15	Mar. 20
Brit. Amer. Assur.	■1.50	Apr. 1	Mar. 27
B.C. El. P. & Gas p.	1.50	Apr. 1	Mar. 20
Buff. Ankerite	.05	Apr. 6	Mar. 23
Building Prod.	.15	Apr. 1	Mar. 15
Beatty Bros. (A)	.25	Apr. 1	Mar. 15
Bell Telephone	2	Apr. 15	Mar. 23
Brazilian Tr., pfd.	1.50	Apr. 1	Mar. 15
Bk. Nova Scotia	2.50	Apr. 1	Mar. 16
Bralorne M.	■.20+.10	Apr. 15	Mar. 31
Brewers & Dist.	■.50	May 20	Apr. 20
Do., bonus	■.10	May 20	Apr. 20
Brit. Amer. Oil	.25	Apr. 1	Mar. 5
B.C. Power (A)	.50	Apr. 15	Mar. 31
Burlington Steel	.15	Apr. 1	Mar. 10
Belding Cort.	1	Apr. 1	Mar. 15
Do., pref.	1.75	Apr. 1	Mar. 15
Blue Ribbon, pfd.	.62½	May 1	Mar. 31
Canada Bread, pfd.	1.50	Apr. 1	Mar. 15
Do., (B), pref.	.62½	Apr. 1	Mar. 15
Can. Foundries, A	.37½	Mar. 20	Mar. 1
Calgary & Edm.	■.05	Apr. 15	Mar. 13
Canada Life	5	Apr. 1	Mar. 31
Cariboo Gold	■.02	Apr. 1	Mar. 8
Chartered Trust	1	Apr. 1	Mar. 15
Comm. Alcohols	.05	Apr. 15	Mar. 31
Do., pref.	.10	Apr. 15	Mar. 31
Corr. Paper Box, p.	1.75	June 1	May 17
Do., arrears	7	June 1	May 17
Can. Cottons	1+2	Apr. 1	Mar. 5
Do., pref.	1.50	Apr. 1	Mar. 5
Can. For. Invest., c.	■.70	May 1	Apr. 1
Canada Iron, pfd.	3	Apr. 15	Mar. 31
Can. Canners	.12½	Apr. 1	Mar. 15
Do., 1st pref.	.25+.05‡	Apr. 1	Mar. 15
Do., 2nd pref.	.15+.05‡	Apr. 1	Mar. 15
Can. Steamships, p.	2.50	Apr. 1	Mar. 20
Can. Bk. Commerce	1.50	May 1	Mar. 31
Can. Dredge & D.	1	May 1	Apr. 1
Canada Bud	.10	Apr. 1	Mar. 15
Canadian Car, pfd.	.44	Apr. 10	Mar. 20
Can. Nor. Power	.15	Apr. 26	Mar. 19
Do., pref.	1.75	Apr. 15	Mar. 19
Canada Cycle	.30	Mar. 31	Mar. 12
Do., pref.	1.25	Mar. 31	Mar. 12
Carnation, pfd.	†1	Apr. 1	Mar. 19
Can. Gen. Ins.	5	Mar. 31	Mar. 15
Can. Celanese	.25+.25	Mar. 31	Mar. 15
Do., pref.	1.75	Mar. 31	Mar. 15
Do., partic.	.94	Mar. 31	Mar. 15
Can. For. Invest. pfd.	■2	Apr. 1	Mar. 1
Can. Tube&Stl. pd.	■1.75	Mar. 31	Mar. 24
Can. Breweries, pf.	.85	Apr. 1	Feb. 27
Can. Converters	.50	Apr. 30	Mar. 15
Cockshutt Plow	.25	June 1	May 15
Can. For. Inv., pd.	■2	Apr. 1	Mar. 1
Can. Perm. Mtge.	2	Apr. 1	Mar. 15
Can. Gen. Elect.	2	Apr. 1	Mar. 12
Can. Gen. Inves.	.12½+.12½	Apr. 15	Mar. 31
Can. Indust. A B	1.25	Apr. 30	Mar. 31
Do., pref.	1.75	Apr. 15	Mar. 31
Can. Silk Prod., A	.37½	Apr. 1	Mar. 15
Cent. Can. Loan	2	Apr. 1	Mar. 20
Cons. Bakeries	.15	Apr. 1	Mar. 10
Cons. Sand. pref.	4	Mar. 30	Feb. 27
Cent. Pat. Gold	.03	Mar. 29	Feb. 27
Chesterville L. L.	.03	Apr. 15	Mar. 10
Canada Packers	1	Apr. 1	Mar. 15
Canada Cement, p.	1.25	Mar. 20	Feb. 25
Candn Oil, pf.	2	Apr. 1	Mar. 19
Can. Wire Box (A)	.37½	Apr. 1	Mar. 10
Do., arrears	.12½	Apr. 1	Mar. 10
Can. West'house	■.50	Apr. 1	Mar. 17
Celan. of Amer.	†.50	Mar. 31	Mar. 16
Do., 5% pref.	†1.25	Apr. 1	Mar. 16
Do., pr. pref.	†1.75	Apr. 1	Mar. 16
Do., 2nd pref.	†1.75	Apr. 1	Mar. 16
Cons. Bakeries	.15	Apr. 1	Mar. 10
Crown Cork	.50	May 15	Apr. 15
Consumers' Gas	2	Apr. 1	Mar. 15
David & Frere A	.25+.15	Mar. 31	Mar. 15
Dominion Bank	2	May 1	Apr. 15
Dominion Glass	1.25	Apr. 15	Mar. 15
Do., pref.	1.75	Apr. 15	Mar. 15
Dominion Tar, p.	1.37½	May 1	Apr. 1
Dom. Textile	1.25	Apr. 1	Mar. 5
Do., pref.	1.75	Apr. 15	Mar. 15
Dom. Foundries	.25	Apr. 1	Mar. 10
Dominion Stores	.10	Mar. 20	Feb. 22
Distillers Seag., p.	†1.25	May 1	Apr. 15
Dairy Corp., pfd.	•1.25	Apr. 1	Mar. 15
Dome Mines	■.40	Apr. 20	Mar. 19
Econ. Inv. Tr.	1.27½	Apr. 1	Mar. 1
East. Can. Savings	1.50	Apr. 1	Mar. 20
Eastern Steel, pf.	.25	Apr. 1	Mar. 15
Fanny Farmer	†.37½	Apr. 1	Mar. 15
Ford Motor A, B	.25	Mar. 27	Mar. 8
Foundation Co.	.35	Apr. 22	Mar. 31
Gatineau Pwr.	.15	Mar. 31	Mar. 1
Do., 5% pref.	1.25	Apr. 1	Mar. 1
Do., 5½% pref.	1.37	Apr. 1	Mar. 1
Greening Wire	.15	Apr. 1	Mar. 1
Gt. West Sadd., pfd.	.75	Apr. 5	Mar. 5
Do., 2nd, pref.	.75	Apr. 5	Mar. 5
Gt. West Life	3.75	Apr. 1	Mar. 20
Gen. Steel Wares, c.	.25	Apr. 1	Mar. 15
Goodyear Tire	.62	Apr. 1	Mar. 15
Do., pref.	.62½	Apr. 1	Mar. 15
Gt. Lakes Power, pf.	1.75	Apr. 15	Mar. 31
Gould Pumps, p.	†1.75	Apr. 2	Mar. 22
Hamilton Cotton	.10	Apr. 1	Mar. 15
Do., pref.	.50	Apr. 1	Mar. 15
Ham. Un. Theat., pf.	1.25	Mar. 31	Mar. 15
Hollinger Cons.	.05	Mar. 25	Mar. 11
Hinde & Dauch	.25	Apr. 1	Mar. 5
Honey Dew	.50	Apr. 1	Mar. 15
H. Smith Paper, pf.	1.50	Apr. 15	Mar. 31
Hunts A. B.	.50	Apr. 15	Mar. 31
Huron & E. Mtge.	1%	Apr. 1	Mar. 15
Imperial Tob., ord.	.10	Mar. 31	Mar. 5
Do., final	.15	Mar. 31	Mar. 5
Do., pref.	3%	Mar. 31	Mar. 5
Imperial Bank	2	May 1	Mar. 31
Indust. Accept., pfd.	1.25	Mar. 31	Mar. 1
Inter. Milling	†1.25	Apr. 15	Mar. 26
Inter. Nickel, c.	†.50	Mar. 31	Mar. 1
Do., pfd.	1.75	May 1	Apr. 1
Inter. Paper, pref.	†1.25	Mar. 30	Mar. 19
Inter. Power, pfd.	1.75	Apr. 1	Mar. 10
Imperial Life	3.75	Apr. 1	Mar. 31
Invest. Found., pf.	.75	Apr. 15	Mar. 15
Inter. Bronze	■.20	Apr. 15	Mar. 15
Do., pref.	■.37½	Apr. 15	Mar. 15
Jam. Pub. Serv.	.17	Apr. 1	Mar. 15
Do., pref.	1.75	Apr. 1	Mar. 15
Kerr-Addison	.05	Apr. 28	Mar. 30
Kirkland L. G.	.02	May 4	Apr. 1
Langley's pref.	■.50	Jun. 11	Jun 3
Do.,	■.50	Sep. 11	Sep. 3
Do.	■.50	Dec. 11	Dec. 3
Landed Banking	1	Apr. 1	Mar. 15
Lang, John A.	.17½	Apr. 1	Mar. 10
Do., extra	.30	Apr. 1	Mar. 10
Marcus Loew's, pfd.	1.75	Mar. 31	Mar. 10
Modern Containers	.30	Apr. 1	Mar. 20
Do., pref.	1.37½	Apr. 1	Mar. 20
Maritime Tele.	.17½	Apr. 15	Mar. 20
Do., pref	17½	Apr. 15	Mar. 20
Moneta Porc.	.02	Apr. 15	Mar. 22
McColl-Front., p.	1.50	Apr. 15	Mar. 31
McIntyre Porc.	.55½	June 1	May 1
Moore Corp.	.55½	Apr. 1	Mar. 10
Do., A. B. pref.	†1.75	Apr. 1	Mar. 10
Murphy Paint	.20	Apr. 1	Mar. 15
Do., pref.	1.37½	Apr. 1	Mar. 15
Mtl. L. H. & P.	.37	Apr. 30	Mar. 31
Nat. Biscuit	†.30	Apr. 15	Mar. 12
Nat. Grocers. pfd.	.37½	Apr. 1	Mar. 15
Nat. Breweries	.50	Apr. 1	Mar. 4
Do., pref.	.44	Apr. 1	Mar. 4
Nat. Steel Car.	.50+1.00	Apr. 15	Mar. 15
Negus Mines	.02½	Mar. 29	Mar. 10
N.S. Lt. & Pr. ord.	1.50	Apr. 1	Mar. 13
National Trust	2	Apr. 1	Mar. 20
Niag. W. Weav.	.25	Apr. 1	Mar. 16
North Star Oil, pf.	.08¾	Apr. 1	Mar. 13
Nor. Ont. Power, c.	.12	Apr. 26	Mar. 31
Ont Loan & Deb.	1.25	Apr. 1	Mar. 15
Ogilvie Flour, c.	.25	Apr. 1	Feb. 26
Ottawa Elec. Rly.	.50	Apr. 1	Mar. 1
Ottawa L. H. & Pr.	.15	Apr. 1	Feb. 17
Do. pref.	1.25	Apr. 1	Feb. 17
Ont. Silknit, pfd.	1	Apr. 15	Mar. 31
Ont. Steel Prod.	.25	May 15	Apr. 15
Do., pref.	1.75	May 15	Apr. 15
Page Hersey	1.25	Apr. 1	Mar. 15
Perron Gold	■.04	Mar. 31	Mar. 1
Preston E. Dome	.05	Apr. 15	Mar. 15
Para. Pictures	†.30	Apr. 1	Mar. 18
Do., pref.	†1.50	Apr. 1	Mar. 18
Power Corp., pfd.	■1.50	Apr. 15	Mar. 19
Do., 2nd pref.	■.75	Apr. 15	Mar. 19
Price Bros., pref.	1.37½	Apr. 1	Feb. 26
Porto Rico Pwr., p.	1.75	Apr. 1	Mar. 10
Premier Gold	.01½	Apr. 15	Mar. 15
Regent Knit, c	.25	Apr. 15	Mar. 15
Regent Knit, pfd.	.40	June 1	May 1
Do.,	.40	Sept. 1	Aug. 2
Do.,	.40	Dec. 1	Nov. 2
R. S. Mills. A	.50	Apr. 1	Mar. 9
Remington Rand	†.25	Apr. 1	Mar. 10
Do., pref	†1.12½	Apr. 1	Mar. 10
Russell Ind.	.20	Mar. 31	Mar. 12
Do., pref.	1.75	Mar. 31	Mar. 12
San Antonio G.	.07+.03	Apr. 15	Apr. 1
Stand. Fuel, pref.	1	Apr. 1	Mar. 15
Sherwin Wms.	.15	May 1	Apr. 15
Do., pref.	1.75	Apr. 1	Mar. 15
Simon & Sons	.15+.15	Mar. 29	Mar. 13
Do., pref.	1.75	Mar. 29	Mar. 13
Silverwoods	.20	Apr. 1	Feb. 27
Do., pref	.20	Apr. 1	Feb. 27
Stand. Radio, A, B	.10	Apr. 10	Mar. 31
Stedman Bros.	.15+.60	Apr. 1	Mar. 20
Do., pref.	.75	Apr. 1	Mar. 20
South Can. Pwr.	.20	May 15	Apr. 20
Do., pref.	1.50	Apr. 15	Mar. 19
Steel of Can.	.75	May 1	Apr. 7
Do., pref.	.75	May 1	Apr. 7
Stand. Paving, pf.	62½	Mar. 20	Feb. 20
Sylvanite Gold	.03	Apr. 15	Feb. 22
Sun Life Assur.	3.25	Apr. 1	Mar. 16
South Am. Gold	†.10	Mar. 30	Mar. 22
Tamblyn, G.	.20	Apr. 1	Mar. 12
Do., pref.	.62½	Apr. 1	Mar. 12
Tuckett Tob., pfd.	1.75	Apr. 15	Mar. 31
3rd C. G. I. T.	.12½+.03	Apr. 15	Mar. 31
Tip Top Tailors	.07½	Apr. 1	Mar. 1
Do., pref.	1.75	Apr. 1	Mar. 1
Tor. Gen. Insur.	.25	Mar. 25	Mar. 15
Tor. Gen. Trusts	1	Apr. 1	Mar. 13
Tor. Mortgage	1.25	Apr. 1	Mar. 15
Traders Fin. pf. A	1.50	Apr. 1	Mar. 15
United Fuel, A pfd.	.75	Apr. 1	Mar. 15
Viau, pref	1.25	Apr. 1	Mar. 20
Wabasso Cotton	1	Apr. 1	Mar. 22
Western Assur., c.	■1.20	Apr. 1	Mar. 27
West. Grocers	.75+2	Apr. 15	Mar. 20
Do., pref.	1.75	Apr. 15	Mar. 20
Weston Geo. c.	.20	Apr. 1	Mar. 5
West Koot. Pr., pfd.	1.75	Apr. 1	Mar. 15
Wilsil	.25	Apr. 1	Mar. 1
Wr. Hargreaves	.10	Apr. 1	Feb. 25

†N. Y. funds. ■Subject to approval of Foreign Exchange Control Board. •Initial. ‡Participating.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 225

Notice is hereby given that a dividend of one and one-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th April, 1943, and that the same will be payable at the Bank and its Branches on and after Saturday, 1st May next, to shareholders of record at the close of business on the 31st March, 1943. The Transfer Books will not be closed.

By Order of the Board,

S. M. WEDD,
General Manager.

Toronto, 12th March, 1943.

The Dominion Bank

Dividend No. 242

Notice is hereby given that a dividend of two per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 30th April, 1943. The dividend will be payable at the Head Office of the Bank and its Branches on and after Saturday, the first day of May, 1943, to shareholders of record of the 15th April, 1943.

By Order of the Board,

ROBERT RAE,
General Manager.

Toronto, 11th March, 1943.

Canadian Dredge & Dock Co. Limited

COMMON STOCK DIVIDEND No. 25

Notice is hereby given that a dividend of One Dollar ($1.00) per share has been declared on the Common Stock of Canadian Dredge & Dock Co. Limited in respect of their 1942 operations payable May 1st, 1943, to Shareholders of record at the close of business on April 1st, 1943.

By Order of the Board,

T. C. LUKE,
Secretary.

Toronto, Ontario,
March 12th, 1943.

Dominion Glass Company Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of March, 1943.

Notice is also hereby given that a dividend of one and one-quarter per cent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of March, 1943.

The above Dividends will be paid on Thursday, the 15th day of April, 1943, to shareholders of record at the close of business Monday, the 15th day of March, 1943.

By Order of the Board.

MERVYN OFFER,
Secretary.

Montreal, 23rd February, 1943.

NOTE: The adoption of a mid month date for the payment of this and future dividends, instead of a date at the commencement of a month as formerly, is due to an official request to level out office work as much as possible.

San Antonio Gold Mines Limited

(No Personal Liability)

Dividend No. 19

Notice is hereby given that a dividend of 7c a share, and an extra dividend of 3c a share, making 10c a share in all, has been declared on the outstanding capital stock of the Company, payable in Canadian funds, on the 15th day of April, 1943, to shareholders of record at the close of business on the 1st day of April, 1943.

By order of the Board.

M. SNYDER,
Secretary.

Winnipeg,
March 8th, 1943.

MONETA PORCUPINE MINES LIMITED

(No Personal Liability)

DIVIDEND NO. 19

NOTICE is hereby given that a dividend of two cents per share has been declared by the Directors of Moneta Porcupine Mines Limited (No Personal Liability) payable in Canadian funds on April 15th, 1943, to Shareholders of record March 22nd, 1943.

By order of the Board.

H. B. CLEARIHUE,
Secretary-Treasurer.

Toronto, Ontario,
March 8th, 1943.

KERR-ADDISON GOLD MINES LIMITED

(No Personal Liability)

INTERIM DIVIDEND NO. 17

Notice is hereby given that an interim dividend of five cents per share has been declared on the issued capital stock of the company, payable in Canadian funds on April 28th, 1943, to shareholders of record at the close of business on March 30th, 1943.

By Order of the Board.

G. A. CAVIN,
Secretary-Treasurer.

Toronto, Ontario,
March 12th, 1943.

PROVINCIAL PAPER LIMITED

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable April 1st, 1943, to Shareholders of Record at close of business March 15th, 1943.

W. S. BARBER,
Secretary-Treasurer.

Toronto, Ont.

BRALORNE MINES LIMITED

(Non-Personal Liability)

Dividend No. 34

NOTICE is hereby given that a Quarterly Dividend of 20 cents per share and an Extra Dividend of 10 cents per share have, subject to the approval of the Foreign Exchange Control Board, been declared on the paid-up capital stock of the company, payable on the 15th day of April, to shareholders of record as of March 31st, 1943.

By order of the Board,

RONALD GRACE,
Secretary-Treasurer.

Vancouver, B.C.
March 8th, 1943.

Wheat Prices Still Rising

Forced Up by Pressure of Insistent U. S. Buying

From Our Own Correspondent

WINNIPEG.—The steady and gradual rise of prices on the Winnipeg wheat market continued during the early sessions of this week, under the pressure of insistent buying. Some of this was on behalf of neutral countries but the greater part is attributed to investing interests in the United States, who consider Canadian wheat an extremely cheap commodity, and one cheap to carry.

In spite of the great quantities of wheat in Canada the base of the market is comparatively narrow, because most wheat is not in position to be offered for sale.

For all practical purposes concerning the market, Canadian elevators are completely filled with grain. That produces a condition under which new wheat can be brought to market only as rapidly as old wheat is sold. With disappearances fairly uniform throughout the year, offerings must be of the same nature.

The situation is reminiscent of the controversies about "orderly marketing," based on a theory of feeding wheat to the market only as fast as it could be physically absorbed, although it results from a condition never foreseen in connection with such controversies.

Stocks Insulated

Existing stocks of wheat are insulated from the market for various reasons. At least 200 million bushels, now on farms, is restricted from delivery until after July 31 by quota. Approximately 25 millions in store on the Pacific coast and at Churchill is completely out of position so far as sale is concerned. About 250 million bushels in country elevators and in interior terminals can only be sold as room is made for it by outward shipments from lakehead terminals elevators.

Exceptions must be made for 30 or 40 million bushels for which there is actually room at the lakehead whenever weather conditions moderate sufficiently that railways can make more effective use of their equipment.

Seventy million bushels in eastern positions are, to all intents and purposes, carried for account of the Canadian Wheat Board against sales of futures the Board has made to British purchasing authorities.

Practically 100 million bushels at the lakehead would appear to be available for sale, but much of that may also be earmarked in the same way as eastern stocks.

Base Broadened

The base of the market was broadened last week when the July future went on the board. Some of the buying pressure could be absorbed there, as wheat could be offered for sale in July which probably could not be got into selling position for May delivery. It will also be useful when October is opened for trading. The only apparent reason for delay is whatever possibility may exist that the Dominion Government may accede to pressure to make the guaranteed Wheat Board minimum price for the next crop year $1 per bushel instead of the present basis of 90 cents.

Otherwise there will be no line of demarcation between the old crop year and the new one, or any difference in deliveries before and after a new harvest, for grain can come into elevators only as rapidly as it goes out. The market has also been broadened by the resumption of country buying by elevator companies. Such buying is done at considerable risk, when an attempt is made to reflect current central market prices at country points. Although hedging sales can be made there can be no certainty about getting stocks forward to apply on such sales.

Almost all wheat delivered so far this year has gone to the Wheat Board at that body's minimum prices. Presumably the great bulk will now be offered directly on the market by farmers. The coarse grains market is as interesting as that in wheat. There also is to be found insistent buying pressure from the United States, but a pressure based on the desire for grain for immediate use.

Rail Shipments

Direct shipments all rail from country points to destinations in the central western states have fallen off, and the Wheat Board has been niggardly with the issuance of export permits, because of the difficulties of securing railway cars for this movement. New buying is coming into the market based on the needs of feeders of livestock in eastern states, tributary to Buffalo.

Eager purchasers are bidding for both cash grains and futures, but elevator companies, although buying oats and barley in the country on the basis of current prices for futures, have to be very careful in making hedging sales for fear they will not be able to make delivery when grain is called for.

In the meantime farmers selling these grains are receiving only the ceiling price allowable in Canada, whereas their grain is saleable at higher prices in the United States. The fact that this situation appears to have been thrusting unnecessarily high operating margins on exporting firms is reported to be causing some concern at Ottawa, along with the demands which are increasing in western Canada for a removal of ceiling prices.

Experts in western agricultural conditions claim that there is no basis for any fear that higher prices for feed grains might cause western farmers to go out of livestock operations. Feeding would still be profitable at considerably higher grain prices, while the physical limitations on transport would ensure that a supply of grain would remain on western farms more than sufficient for the maximum possible feeding programme. It is admitted that buyers of feed grains in eastern Canada might require some assistance, in addition to what they are getting now, in obtaining supplies of western grain. But the eastern market in Canada is small in comparison with the sales opportunities which seem to be opening up in the United States.

Exporters' Profits

A suggestion has come from Ottawa that plans have been proposed for impounding the profits of exporters of coarse grains, something which presumably could only lead to the Wheat Board assuming a monopoly of export transactions, with further possibilities that the government might be involved in buying the whole crop of coarse grains and accepting a feed grain problem comparable to that which it now has in wheat.

Fears are expressed lest a Wheat Board monopoly in coarse grain exports might result in checking the rapidly developing export business. Wheat and coarse grains are already linked in the difficulties of the Canadian Wheat Board, which controls the railway movement, although not the present marketing of coarse grains, as well as the marketing and movement of wheat.

With transport facilities limited the problem is what grain should have the preference in forwarding. It would seem logical to allow the maximum possible flow of the feed grains which are in strong demand for prompt use in the United States. But, on the other hand, to limit wheat movements either by rail, or by water, when navigation is open, in order to allow the preference to other grains might be to force wheat prices artificially to higher levels than would otherwise prevail or be justified.

The Business Of Farming

By GORDON L. SMITH

"Canadians must acquire a taste for heavier pork," Joseph Harris, M.P. for Danforth, told the House of Commons the other day. Probably this is very true, but at the same time it is going to create a special problem after the war when the world settles down to normal food production again.

* * *

Speciality Threatened

For a quarter of a century or more Canadian farmers have been urged to produce lean pork. Specially long, narrow pigs have been bred with the object of producing the tastiest and highest quality of bacon. Before the war this country was exporting to the British market bacon that compared with the very best produced in Denmark. Sides were long with the fat evenly streaked with lean. Canadian consumers, too, soon learned to appreciate this super quality bacon and so did those few Americans who were fortunate enough to get a little of it at a premium price.

* * *

Costs More to Produce

This high quality bacon, farmers were convinced, cost something extra to produce and it was only when a bonus was paid that production responded satisfactorily. To make the best quality, hogs were marketed at about 210 pounds liveweight and a few pounds either way was penalized by price dockage. Such a market weight, it should be remembered, is 50 to 150 pounds lower than that prevailing in other countries and those extra pounds are produced much more economically than the first 200.

* * *

Now Adding Weight

This speciality production has been hard hit by the war. To meet soaring British demands after the Danish supply was cut off early in 1940, production was stepped up again and again. Newcomers came into the picture, especially from western Canada. But even with pre-war export doubled and then trebled the demand continued to outstrip supply.

To boost it and also to give the war-pressed British consumers more fat the weight of the hogs was increased, and before the war is over this tendency may go much farther. Eventually our farmers may follow the American example and be forced to concentrate on the production of fat pork and use an entirely different type of animal.

* * *

Heavier Beef Too

The same tendency toward heavier meat is seen in beef cattle. Here too, before the war the best producers concentrated on animals that could be matured and fattened young and small, about a 1,000 pound live weight being considered ideal. These turned out roasts of about the right weight for the small, urban family.

But again this was expensive production, and with a shortage of beef, farmers are being asked to hold cattle longer. Already heavier steers are coming to market and soon animals of 1,500 pounds will be common. Roasts from such will be bigger and probably fatter than fastidious urban consumers of a few years ago would fancy. During the recent beef shortage, too, almost anything that looked like beef, including old, thinnish cows, could be turned into good money.

* * *

Trouble Ahead

All this sort of thing, this growing emphasis on volume only, is bound to have a serious repercussions on agricultural production. Much of the educational work aimed at getting farmers to produce types, and fancy quality that suited fancy consumption, is now at a discount, but when we get into a highly competitive buyers market again after the war, demands may change a good deal faster than farmers can revert to former types of livestock. In some cases it may mean complete liquidation of present livestock and starting afresh.

* * *

Victory Gardens

Our friends south of the border are making quite a fuss over Victory Gardens. The plan has had considerable support here but probably not as much as it deserves. The average urban consumer finds it hard to realize that in the last few months the Canadian food market has completely changed.

Today we are facing serious shortages in many lines including vegetables. Formerly there were almost enough professional market gardeners alone to supply all Canadian demands, but due to the extreme shortage of labor these producers are going to find it exceedingly difficult to maintain present production while the demand has been going up sharply. Moreover our imported supplies are threatened because every pound of vegetables will be wanted in the United States for dehydrating for the armed forces abroad. City amateur gardeners as well as farmers are being advised to grow as many vegetables as possible this spring. Seed supplies are believed sufficient but not ample, with some shortages in special lines.

May Reorganize St. Claire Apts.

Holders of 7% first mortgage bonds of Ste. Claire Apartments, Windsor, have been asked for an expression of opinion on a proposed reorganization plan, by London & Western Trusts Co., receivers. In exchange for present securities bondholders would get a pro-rata distribution of income bonds and common stock of a new company.

Gross annual rental income of the building is $6,420 and with interest at 7% on the outstanding bonds amounting to $4,725 yearly it is pointed out that the building cannot earn sufficient over and above taxes and other operating expenses to meet in full accruing interest charges on the present bonded indebtedness. There is said to be no possibility of default being remedied under the existing financial set-up.

Court authorization has been obtained for payment of interest coupon No. 10 due March 8, 1931, together with past due simple interest thereon at 5%.

DIVIDEND NOTICES

Canada Steamship Lines Limited

Notice is hereby given that under the provisions of the Modified General Plan of Reorganization of Canada Steamship Lines, Limited, dated October 1, 1936, a dividend of Two Dollars and Fifty Cents ($2.50) per share on the outstanding preference shares of the company has been declared payable April 1, 1943, to shareholders of record March 20, 1943.

Dated at Montreal this 15th day of March, 1943.

R. BROCK THOMSON,
Secretary.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current quarter, and that the same will be payable on and after

1st April, 1943

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.

4th March, 1943.

The Sherwin-Williams Company of Canada, Limited

NOTICE IS HEREBY GIVEN that the one hundred and twenty-seventh quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum for the quarter ending February 28, 1943, on the Preferred Stock of the Company has been declared payable to Shareholders of record the 15th day of March, 1943, and that cheques will be mailed April 1, 1943. Books not closed.

By Order of the Board.

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Quebec.
February 4, 1943.

The Wabasso Cotton Company Limited

Notice of Dividend

A quarterly dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of The Wabasso Cotton Company, Limited, payable on the 1st April, 1943, to shareholders of record as at close of business on 22nd March, 1943.

By Order of the Board,

H. W. CAPEL,
Secretary-Treasurer.

Montreal, Que.,
11th March, 1943.

DIVIDEND NOTICES

DIVIDEND

Chartered Trust and Executor Company

NOTICE is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending March 31st, 1943, payable April 1st, 1943, to shareholders of record at the close of business March 15th, 1943.

By Order of the Board,

E. W. McNEILL,
Secretary.

Dated at Toronto,
February 25th, 1943.

McCOLL-FRONTENAC OIL COMPANY LIMITED

PREFERRED DIVIDEND NO. 61

NOTICE IS HEREBY GIVEN that a dividend of $1.50 per share being at the rate of 6% per annum has been declared on the 6% Cumulative Preferred Stock, of McColl-Frontenac Oil Company Limited for the quarter ending March 31st, 1943, payable April 15th, 1943, to shareholders of record at close of business March 31st, 1943.

By Order of the Board.

FRED HUNT,
Secretary.

March 15th, 1943.

Wheat Prices

Winnipeg Grain Futures

Week of Mar. 15, 1943

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close Mar. 15
		Wheat			
.98½	.91¾	May	.98½	.95¾	.98¼
.98⅞	.96⅝	July	.98⅞	.96⅝	.98⅞
		Oats			
.51½	.45⅝	May	.51½	.51½	.51½
.51½	.47⅝	May	.51½	.51½	.51½
		Barley			
.64¾	.62⅜	May	.64¾	.64¾	.64¾
.64¾	.62⅝	July	.64¾	.64¾	.64¾
		Rye			
.66⅝	.56¼	May	.66⅝	.66⅝	.66⅝
.66⅝	.65	July	.66⅝	.66⅝	.66⅝

Cash Quotations

	For Week Mar. 15 High	Low	Prev. Week High	Low
Wheat				
1 Nor.	.97⅛	.95⅝	.94½	.90½
2 Nor.	.93⅞	.91⅞	.91	.87
3 Nor.	.91⅜	.89¾	.89¼	.85⅛
4 Nor.	.90⅜	.89	.86¼	.83⅞
5 Wheat	.87⅜	.85	.84¾	.81⅛
6 Wheat	.86⅞	.85	.84¼	.80⅝
Oats:				
2 C. W.	.50½	.50½	.51⅛	.51
3 C. W.	.49¼	.49	.50	.49½
Barley:				
1 Feed	.61½	.61	.62½	.62½
2 Feed	.61	.60¼	.62	.61½
Rye:				
2 C. W.	.65⅝	.65¼	.65⅛	.65⅛

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	95
(Base 1935-39=100)												
*1935 to date:												
High	134.5	234.4	149.7	123.7	135.7	118.3	128.3	153.4	146.8	118.2	145.0	134.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	68.7	60.2	69.0	65.2	61.1
1943: Monthly Figures:												
Jan.	90.3	75.3	82.4	62.9	114.3	88.2	109.7	84.0	88.5	76.7	90.0	76.3
1943: Weekly Figures:												
Feb. 4	92.5	73.6	84.8	66.1	117.9	88.2	112.0	84.7	87.4	78.3	88.2	78.2
Feb. 11	94.7	75.0	89.7	68.3	117.7	88.7	113.3	85.0	88.9	78.3	88.2	79.3
Feb. 18	94.0	74.5	89.6	67.5	117.1	87.8	112.1	85.3	88.4	78.7	87.9	78.5
Feb. 25	94.8	80.1	89.1	66.7	117.0	87.6	109.8	85.0	87.3	79.1	87.7	78.6
Mar. 4	96.6	80.8	91.4	68.1	117.2	81.6	110.7	84.9	89.1	78.7	91.8	78.9
Mar. 11	96.3	76.7	90.1	65.1	118.3	80.7	112.4	83.9	87.0	80.0	90.4	78.1

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Mar. 16	105.15	78.10	70.93	22.19
Mar. 15	105.46	78.62	71.23	22.35
Mar. 13	105.26	79.39	70.76	22.73
Mar. 12	105.00	80.02	70.35	22.79
Mar. 11	104.89	80.45	69.84	22.72
Mar. 10	104.40	80.52	69.63	22.79
Month ago	105.02	79.42	70.68	23.63
Year ago	81.91	68.42	63.71	17.03
High 1943	105.46	81.73	71.23	23.91
Low 1943	98.88	70.64	63.57	18.14

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Mar. 16	54.5	69.8	64.7	81.01	57.97
Mar. 15	54.5	69.7	64.6	80.21	58.78
Mar. 13	54.5	69.4	64.4	80.50	58.53
Mar. 12	54.6	69.2	64.3	80.32	58.29
Mar. 11	54.3	69.2	64.2	79.64	58.29
Mar. 10	54.4	69.2	64.3	78.60	57.68
Month ago	53.7	68.6	63.6	77.74	54.72
Year ago	41.0	56.5	51.3	68.23	41.18
High 1943	54.9	69.8	64.8	84.61	58.78
Low 1943	51.8	63.4	59.5	74.07	49.12

TORONTO ELEVATORS
LIMITED

GRAIN
MASTER FEEDS
LINSEED & SOYA OILS

Also Owning and Operating
THE SARNIA ELEVATOR
CO. LIMITED
SARNIA ONTARIO

QUEEN'S QUAY, TORONTO

THE ALBERTA PACIFIC GRAIN COMPANY
LIMITED
(Licensed and Bonded with the Board of Grain Commissioners)
OPERATING
462 Country Elevators
72 Flour Warehouses
224 Coal Sheds
Terminal Elevators at
Vancouver and Port Arthur
(Capacity 9,461,500 Bushels)
Offices: Calgary and Winnipeg
(36)

RELIANCE
GRAIN COMPANY LIMITED
Owners and Operators Country Elevators
and Terminals
Exporters and Shippers
SMITH, MURPHY CO. INC.
510 PRODUCE EXCHANGE, NEW YORK
Head Office: 919 Grain Exchange, Winnipeg
Branch Offices: Toronto and Vancouver

Since 1857
James Richardson & Sons
LIMITED
Grain Merchants
Shippers and Exporters
HEAD OFFICE
WINNIPEG
Branches Throughout Canada

DUN & BRADSTREET of CANADA, Limited
The Mercantile Agency
ESTABLISHED 1841
20 Offices in the Dominion

RENEWAL OF UNEMPLOYMENT INSURANCE BOOKS

To all Employers:

The 1942-43 Unemployment Insurance Books expire on March 31st.

New Insurance Books for the fiscal year 1943-44 will be exchanged by the Local Employment and Selective Service Office in your area for expired Insurance Books.

Do not send in your Insurance Books without completing forms enclosed with circular letter 625.

If you have not received this circular letter, get in touch with your nearest Employment and Selective Service Office.

Where it is necessary to quote the Employee's Insurance Number, use the number with the prefix letter shown on the front cover of the book: example P-49247, E-22454. Do not quote the book serial number printed on the inside pages of the book.

Protect the benefit rights of your employees by following closely the procedure outlined in the circular letter, and prevent delays by acting now.

UNEMPLOYMENT INSURANCE COMMISSION
HON. HUMPHREY MITCHELL
Minister of Labour
Commissioners:
LOUIS J. TROTTIER
R. J. TALLON
ALLAN M. MITCHELL

The Week in Oils

Alberta, Saskatchewan, Quebec and the far north all figured in the news on Canadian oil development last week, as announcements were made concerning new drilling plans or other oil development in the four sections of the Dominion.

Providing further evidence of the rising optimism concerning prospects of farther eastward extension of the North Turner valley oilfield, Imperial Oil interests announced location for a new drill-test on a key location east of the structural crest. The new site is for Foothills No. 17, in L.S.D. 5 9-21-3w5.

The official tentative estimate for Madison limestone at the new Foothills site is around 8,200 ft. The new site is a quarter of a mile south of the Northend Pete No. 1 well (east of the structure crest), which topped Madison at 8,928 ft.; a quarter of a mile north of the crest producer Foothills No. 12 (which topped lime at 7,095 ft.); and a quarter of a mile east of the Major No. 4 producer (a short distance down the west flank), where the lime was found at 7,415 feet.

* * *

Two Wells For Gaspé

Arrangements have been reached between Continental Petroleums, Imperial Oil and drilling contractor W. R. McMaster which provide for drilling two wells on the 85,000-acre reservation held by Continental in the Gaspé Peninsula, in Quebec. One well is slated to be drilled to 8,000 ft. on the Galt Brook Dome, the other to a depth of 2,500 ft. at a location in the immediate vicinity of an old well (P.O.T. No. 20) located within Continental's property, which is said to have been flowing a small quantity of high gravity oil for the past 46 years.

The deep test on the Galt Brook Dome is to be drilled with equipment owned by Imperial and leased to Continental. The equipment and machinery are now in readiness at village of Gaspé. This well will be known as "C.P.L. No. 1." The drilling equipment to be used for the shallow test (C. P. L. No. 2) will be supplied by the drilling contractor for the two tests, W. R. McMaster, and is to be brought into Gaspé from elsewhere in Canada. The contractor has already completed the road into the No. 1 site. The rig was slated to start moving from Gaspé to the wellsite on Mar. 15.

* * *

To Drill Coutts Area

Recently reorganized, and now said to have the backing of important New York, Toronto and British Columbia interests, Trans-Alberta Oils has drafted plans for early drilling in the Coutts area, just north of the Alberta-Montana border. Trans-Alberta No. 1 well will be drilled on the site previously staked for Pan-American No. 1, in L.S.D. 14 34-1-20w4. Drilling is slated to start before April 30. Alberta Drilling & Development Co. will be in charge of drilling operations.

* * *

Vera Plans New Test

Vera Oilfields has acquired 7,000 acres from W. F. Thorne and associates adjoining its leasehold properties a few miles northwest of Unity, Saskatchewan, and is now completing plans for a new drill test, to be started with rotary equipment by April 15. Exact location of the new well has not yet been announced. It will be on the new holdings, to the north of the four wells previously drilled by Vera.

The new acreage was selected by Dr. Hintze of Salt Lake City on the basis of the logs of the wells already drilled, and on information gained from the Heiland Research seismic survey made in 1941.

* * *

Standard's New Company

In line with expanding activity in oil exploration and producing operations in western Canada, Standard of California has set up a new subsidiary to handle all such operations under direction of Geologist John Galloway. The new subsidiary, Dominion Oil Co., has been incorporated in British Columbia, and has been qualified in the provinces of Manitoba, Saskatchewan and Alberta. Dominion is taking over all holdings of the Standard of B. C., including leases, reservations, producing and drilling wells and equipment. If sufficient additional equipment can be secured, Dominion will initiate drilling this year on extensive holdings in Saskatchewan which were geologized in 1942. Otherwise, Dominion will centre its 1943 drilling programme in Alberta.

Only current drilling well is Ross Lake-Province No. 1. A continued drilling programme is expected, however, in the Taber area, probably also in other Alberta areas. Only current producing well is Taber-Province No. 1, completed last June, which had produced 28,393 bbls. of 18 gravity oil by the end of February, 1943.

It is also learned that Standard of California has another subsidiary with its headquarters in Alberta. This is the Standard Oil Co. of Alaska, with headquarters at Edmonton. This company's programme, the nature and location of which is not disclosed, is presumably associated with the big United States Army project in the far north. Whether its operations are in northern Canada, as well as in Alaska, is not disclosed.

Smelters Lays Plans For Future

Magnesium, Aluminum, Steel, All Figure in Considerations

From Our Own Correspondent

VANCOUVER.—The huge munitions organization of Consolidated Mining & Smelting Co. is today concentrating on war production, but President S. G. Blaylock and his able staff of executives, engineers and laboratory specialists are not ignoring the role that western Canada's great mining, metallurgical and chemical industry must play in the postwar period.

When peace returns, Consolidated will be ready to become as potent a contributor to the new economy as it has been in the past 3½ years, during which its output of nearly all metals and chemicals has climbed to unprecedented levels.

"Our policy is to keep a few jumps ahead of the other fellow," President Blaylock told The Financial Post. "Our organization is too big to stand still. We've got to keep moving and to do that we must chart a long way into the future."

Four-point Programme

Summarized, this is what Consolidated will undertake during the years to come:

1. Find a market all over the world for the products now being channeled into war uses and develop the field for essentially peacetime products such as chemical fertilizer.

2. Embark on magnesium production, utilizing its own extensive deposits in the Marysville area near Cranbrook.

3. Explore the possibilities of entering the iron and steel industry, using ore from the Sullivan and other mines operating or dormant in southeastern British Columbia.

4. Consider the feasibility of producing aluminum from native ores, possibly eliminating the present necessity in Canada of importing bauxite from Guiana.

For most of Consolidated's present output of chemicals and such metals as lead, zinc, silver, cadmium, bismuth, tungsten, tin and mercury there will probably be a continuing demand, even though the resumption of world trade may interfere with tungsten and mercury sales, depending on competitive costs of production.

Concentrate on Fertilizers

First on the postwar programme of Consolidated will be expansion of fertilizer production and sales. The company spent a lot of money in stimulating a market for this product before the war, and Consolidated fertilizers were given an extensive test in all parts of the Prairies, with highly successful results. High grade fertilizer is today being shipped by the company to Great Britain, Hawaii and other distant countries.

Facilities for production have been augmented during the war by installation of new, highly efficient plants. Some of these plants were built by Consolidated for the Canadian Government, which now holds title to them. After the war, Consolidated will have an opportunity to take them over. In any event, Consolidated expects some day to be the world's biggest single producer of chemical fertilizer.

"The next industrial generation will see tremendous developments in chemicals and plastics," says Mr. Blaylock. "In chemicals we propose to keep our place in the parade."

Power Key to Light Metals

Whatever the company does with respect to aluminum and magnesium will depend on power. Consolidated has at its disposal today more hydro-electric energy than ever before, but it is being fully utilized and the present project at Brilliant on the Kootenay River, which is being hastened to meet demands at the new government plants, will be no more than adequate for wartime requirements.

But when Consolidated has made full use of its available resources and should there be declining production of and demand for Sullivan mine's ores, the company will be in a position to make good use of its experiments now being made in the light metals field.

Has Ore For Steel

As for steel, that development may not come for some years. The major influence in that connection, according to Mr. Blaylock, is the potential domestic market. If the plant is built it will be near Trail, utilizing iron ore already accumulating n vast volume, but not until the population of western Canada grows by several more millions will Consolidated seriously contemplate substantial expenditures for the production of steel.

Incidentally, Mr. Blaylock is skeptical of the present prospects of a steel mill on the Pacific coast other than a small rolling mill to utilize accumulating scrap metal. For instance, Vancouver's tidewater location would enable a plant to ship steel cheaply by the all-water route, but the advantage would work both ways by making it cheap to import steel by water from other producing centres. A steel mill dependent solely on the export market would not be feasible, anyway, in his opinion.

No Worries About Sullivan

The future of the Sullivan mine, source of most of the company's metals for the past 20 years or more, is not giving Mr. Blaylock much concern. Two or three years ago Sir Edward Beatty, board chairman, predicted that the Sullivan would be good for 20 more years at the current rate of production, and Mr. Blaylock sees no reason to alter that estimate now, even though war requirements have forced the company to liquidate ore reserves faster than would normally be the case.

Consolidated has taken, roughly $1,000 out of the Sullivan for every dollar invested in the original claims, and it is estimated that more than 37 million tons have been taken out of the great mine, probably the most diversified in the world.

Here are the all-time figures for Consolidated's output of its chief metals, most of them from Sullivan: Gold, 3 million ounces; silver, 200 million ounces; lead, 3.5 million tons; zinc, 2 million tons.

Mining Concentrates

Adnaron Copper Corp. in its first new drill hole, No. 43-1, completed to 1,112 ft. depth, besides returning 15 ft. of core averaging $10.55 a ton in gold at 685 ft. depth, has four sections covering 20 ft. of further core being assayed. Water difficulties have caused the drill to be moved temporarily from this hole to cross-section the ground adjacent to the Beauchastel fault. A second drill has been set up at the No. 1 zone 100 ft. west of the previous shallow No. 5 drill hole which returned a section of 20 ft. averaging 1.90% copper. A magnetometer survey is to be started on the low ground west of the main zone. It is anticipated that the whole development programme will be speeded up with a return of more moderate weather.

* * *

Bonetal Gold Mines advises the Toronto Stock Exchange that 5,000 shares have been issued George S. Drew in consideration of an extension of the final payment of $10,000 due Feb. 1. Under the amended agreement covering a claim to the west of the company's property, the final installment of $10,000 becomes payable as follows: $1,000 by Feb. 1, 1944; $1,000 by Mar. 1, 1944; $1,000 by Aug. 1, 1944; $1,000 by Nov. 1, 1944; $2,000 by Feb. 1, 1945; $2,000 by May 1, 1945 and $2,000 by Aug. 1, 1945. Issued capital is 2,839,175 shares, leaving 160,827 shares unissued in the treasury.

* * *

Halliwell Gold Mines has advised the Toronto Stock Exchange that Feb. 21 option installment comprising 100,000 shares under the financing agreement with David Holdings Ltd. of Dec. 21, 1942, has been extended for one month.

* * *

Norgold Mines (1937) plans to continue its co-operation with its parent company, Norgold Mines Ltd., in the search for new properties. A profit of $361 was realized for 1942 bringing profit forward to $1,355. Balance sheet as at Aug. 31, 1942, showed current assets of $171 against advances of $5,594 from its parent company. No further work was done last year on the company's properties in Bousquet twp., Que.

* * *

Ontario Nickel Corp. has advised the Toronto Stock Exchange that $2,500 was received on the March 1 underwriting installment of $10,000 under financing agreement with George H. Johnson dated Feb. 16, 1943. The underwriter has requested an extension of time to pay the balance and this request will be considered by the directors of the company at a meeting in the near future.

Mining Company Reports

Teck-Hughes

Dividends from its Lamaque subsidiary accounted for two thirds of the net revenue of Teck-Hughes Gold Mines in 1942. On an annual earnings basis, profit showed only a minor decline.

Noting a decline in positive ore reserves from 345,969 to 318,966 tons, President D. L. H. Forbes states the decline is modest considering the limited amount of development it was possible to complete and the fact that 93,335 tons were extracted during the year altogether. Mr. Forbes says that this seems to indicate that the life of the mine can be profitably extended by pursuing the present curtailed operating policy.

The erratically-occurring branch vein ore deposits accounted for 17.3% of ore mined in 1942 and their importance is outlined in a special supplemental report of General Superintendent J. G. McMillan.

Income and Surplus Account

	Year ended Dec. 31 1942	16 Mos. ended Dec. 31 1941
Bullion production	$1,365,513	$3,645,581
Less: Devel. & mining	356,837	1,435,040
Milling	125,816	360,296
General expense	157,077	321,026
Taxes	228,693	571,870
Exam. new props.	2,205	7,264
Operating earnings	494,885	950,085
Add: Lamaque divids	1,231,916	1,449,941
Other income	30,370	33,828
Net profit	1,757,171	2,433,854
Less: Dividends	1,442,143	2,403,573
Surplus for year	315,028	30,281
Add: Prev. surplus	3,980,999	3,950,718
Tax adjust. (1941)	165,689	......
Sale of old plant	12,017	......
Surplus forward	4,473,733	3,980,999
Earnings per share and Dividend Record:		
Earned	$0.365	$0.506
Paid	0.30	0.50
No. of shs. outstanding	4,807,144	4,807,144
Working capital		
Current assets	4,057,960	3,532,557
Current liabilities	697,028	834,936
Working capital	3,360,932	2,926,317

International Nickel

Highlights of the 1942 annual report of International Nickel Co. of Canada are:

Net profit of $2.11 a share (1941—$2.22) with an additional 4 cents a share to be received after the war as E. P. T. refund.

Working capital over $5 millions higher at $88.8 millions after taking care of large capital expenditures, now largely completed.

Production rate increased to 50 millions pounds of nickel a year over the 1940 rate.

Nickel production, plus conservation and salvage, expected to take care of all vital requirements of our armed forces—President R. C. Stanley.

Profits in last quarter 58 cents a share against 56 cents same as quarter of 1941, including the 4 cents E. P. T. refund in the 1942 figure.

Depreciation, amortization reserves increased over $8 millions, depletion reserves up nearly $3 millions.

The company has decided to set up a trust for the retirement system and shareholders' approval for this will be asked at the annual meeting in April. Employees totalled 23,098 at the end of 1942 as contrasted with 21,898 at the end of 1941.

President R. C. Stanley announces Inco has long been formulating plans in preparation for the postwar period. He expresses confidence in operating economies, technical development of new products, retention of customer goodwill and maintenance of a strong financial position, as the backbone of any such long-range plan.

Income and Surplus Account
Years Ended December 31

	1942	1941
Net sales	$169,595,728	$169,722,916
Less: Costs & exp.*	93,692,215	91,250,077
Net oper. profit	75,903,513	78,472,839
Add: Other income	1,046,098	853,929
	76,949,611	79,326,768
Less: Taxes on inc.	25,079,285	26,328,792
Deprec. & deplet.	13,073,587	12,883,552
Retir. system	2,980,261	2,473,702
Conting. ins. etc.	3,114,649	3,284,321
Net profit	†32,701,829	34,356,401
Less: Pref. divids.	1,933,899	1,933,899
Common divids.	29,156,338	29,156,338
Surplus for year	†1,611,592	3,266,164
Add: Prev. surplus	79,013,916	75,747,752
Refund. tax paid	600,000	......
Less: Exch. adjust.	2,461,542	2,461,542
Surplus forward	78,763,966	76,552,374

*Including directors fees of $39,475 in 1942 and $38,575 in 1941. †Not including refundable tax of $600,000.

Earnings per share and Dividend Record:

	1942	1941
Preferred: Earned	118%	124%
Paid	7%	7%
Common	$2.11	$2.22
Paid	2.00	2.00
No. of shs. outstanding:		
Preferred ($100 and $5 par)	$27,627,825	$27,627,825
Common	14,584,025	14,584,025
Working Capital		
Current assets	118,811,867	122,145,214
Current liabilities	30,049,068	39,187,665
Working capital	88,762,799	82,957,549

Canada Bud Breweries Ltd. has advised shareholders of an offer from Canadian Breweries Ltd. to exchange one share of Canada Bud for one common share and 1/5th of one preference share of Canadian Breweries. Directors of Canada Bud recommend acceptance of the offer, which is at present effective until April 15 and can be extended.

We recommend the purchase of —

ROXANA OILS COMPANY LTD.

At Market

Holding oil leases on approximately:

1,000 Acres — Jumping Pound Structure
4,300 Acres — Wild Cat Hills Structure
3,700 Acres — Kootenay Dome Structure

Consult your broker.

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Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.

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EACH UNIT comprises 5 SHARES of EACH of the following 10 DIVIDEND PAYING GOLD STOCKS:

Beattie Gold Mines Limited
Coniaurum Mines Limited
Kerr-Addison Gold Mines Limited
Kirkland Lake Gold Mines Limited
Macassa Mines Limited
Madsen Red Lake Gold Mines Limited
McKenzie Red Lake Gold Mines Limited
Pickle Crow Gold Mines Limited
Preston East Dome Mines Limited
San Antonio Gold Mines Limited

WHEN YOU BUY THE UNITS, WHETHER ONE OR MORE

The Shares in each company are registered in your name.
Individual Certificates for the shares of each company are delivered to you.

YOU THEN HOLD 5, 10, 15 or more Shares—according to the number of Units you have bought — fully paid for and in your own name — of each of the 10 stocks —

—all of which are listed on The Toronto Stock Exchange.
—all of which have good dividend records.
—all of which are of companies of strong financial standing and good repute.
—all of which are quickly saleable should you need cash.

FOR THE PERSON OF LIMITED CAPITAL

this "Unit" plan of investment offers the special advantages of Diversity of spreading the investment over a number of good stocks instead of concentrating $100 to say $500 or $600 in one, two or three stocks. In the ordinary way few people in moderate circumstances are able to carry more than the latter number, hence are dependent for quick profits, dividend returns, or capital appreciation over a reasonable period upon the choice they may have made. The plan therefore overcomes this handicap.

OUR "COMBINATION SHARE UNITS"

permit you to place yourself in a splendid position to benefit from any general advance in the prices of Gold Stocks, with a very practical expectancy that you will share in some of the more important Profit Moves, while at the same time your invested capital is earning good dividend returns for you and is in a "liquid" condition.

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The upward price movement of the Gold Stocks since our first "Combination Share Units" were offered several months ago has already given those Unit purchasers some handsome profits or capital appreciation. But more than this, the movement is further evidence of the general faith in Gold and Gold producing Company Stocks. Educated and informed opinion is that Gold, which has been the common denominator—the basic measure of values for many centuries,—will continue and strengthen in its important place as the accepted evidence of wealth between individuals and Nations the world over.

Present Gold Share prices, and the capacity of Canada's Gold Producing Companies to contribute to world wealth, appear to make unique investment opportunity.

TO ORDER "COMBINATION SHARE UNITS"

As this advertisement is being prepared the price of our Units—5 shares of Each of the TEN DIVIDEND PAYING STOCKS—at the close of today's market works out at

$95.00 for 1 Unit. $190.00 for 2 Units. $285.00 for 3 Units.

(plus a service charge to you of $5.00 per unit.)

Fill in the coupon below—for one or more units—and mail it to us with your cheque on this basis. Because the market fluctuates from day to day, if when your order is received and executed we have to pay slightly more for the shares we will bill you for the slight difference. If we pay less we will credit you with the difference and mail you our cheque for it. In the $5.00 per Unit service charge we absorb all expense—brokerage, transfer taxes and other costs of executing your order. Mail your order and we will look after it quickly for you.

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I enclose herewith my cheque for $.............. in payment for the Units in which I have included the service charge, and agree that if because of advanced market prices before you receive and execute my order you have to pay slightly more than the above price, upon receipt of bill from you I will remit the difference. On the other hand, if the market is down slightly and you pay less than the price of my order, you agree to send me your own cheque for the saving you make.

Name ....
(Please Print Carefully)

Address ....

F.P.-7

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Complete Mining and Milling Plant With Equipment and Stores of

WENDIGO GOLD MINES LIMITED

DIESEL ENGINES

1—264 B.H.P., 4 Cylinder Engine, Size 9X Class HRF, 277 R.P.M., direct connected to 219 K.V.A. A.C. Generator, with Exciter, Tex Rope driven.
2—156 B.H.P., 2 Cylinder Engines, Size 10 Class HRCE, 300 R.P.M., connected to two 125 K.V.A. A.C. Generators by Tex Rope drive, Exciters mounted on Generator Shafts.
1—114 B.H.P., 2 Cylinder Engine, Size 9 Class H.R.C., 275 R.P.M., connected by flat short belt drive with idler attachment to Canadian Ingersoll-Rand Angle Compressor, Size 13½x 8 x 8, Type XVHB-2 complete with three step air control, Capacity 659 f.p.m., Discharge Pressure 100 lb.
2—20,000 gal. Fuel Oil Tanks, 15 ft. diam. 18 ft. high, 3/16 in. Welded Steel Shell.

All machines are the horizontal, slow speed, heavy duty type as manufactured by Ruston & Hornsby of Lincoln, England. Each machine has exhaust silencer with piping. The plant has two gas driven air compressors for starting purposes. Each machine has air bottle and emergency fuel tank. We have reasonable supply of spare parts.

The Generators and Exciters, also Control Panels with Instruments, Switches, etc., are all manufactured by Canadian General Electric Company. Current conditions are 3 phase, 60 cycle, 550 volts.

The whole plant is in excellent condition and has an operating record of better than 98%.

STEAM PLANT

2—14' x 66" Return Tubular Boilers for 100 lb. pressure with Stacks and all Fittings.
2—Ingersoll-Rand FR-2 Steam driven Compressors (convertible), Size 14 x 9 x 12, Capacity 517 f.p.m., at 100 lb. pressure.
1—100 H.P. Motor with Starter and Tex Rope drive for FR-2 machine.
1—NF-2 Ingersoll-Rand Steam Compressor, Size 14 x 9 x 12, Capacity 414 f.p.m. at 100 lb. pressure.

HOISTS

1—Ingersoll-Rand 80 H.P. Steam Hoist, 11 x 8 PSR Class, Double Drum, each 24" x 36" diam.
1—Ingersoll-Rand Steam Hoist, 40 H.P., 8 x 10, SSR Class, Single Drum, 24" x 30" diam.
1—Ingersoll-Rand 75 H.P. Electric Hoist, Class PE-1, Double Drum, 24" x 36" diam.
1—Ingersoll-Rand Electric Hoist, Class SE-2, Single Drum 18" x 24" diam. (New).
1—Ingersoll-Rand Utility Air Hoist, Class D-6-U (little tugger).

AIR RECEIVERS

1—48" x 8' Air Receiver, 100 lb. pressure.
1—42" x 7' Air Receiver, 100 lb. pressure.
1—36" x 8' Air Receiver, 100 lb. pressure.
1—30" x 6' Air Receiver, 100 lb. pressure.

PUMPS

2—Ingersoll-Rand Cameron Electric Centrifugal Pumps, 20 H.P., RVH-20, 250 g.p.m., 180 ft. head.
1—Canadian Fairbanks-Morse Gasoline Pump, 7½ H.P., Tex Rope drive, Capacity 80 g.p.m., 180 ft. head.
1—Smart-Turner Electric Gear Driven Triplex Pump, Size 5 x 8, 35 H.P., Capacity 100 g.p.m., 610 ft. head.
1—Smart-Turner Electric Gear Driven Triplex Pump, Size 3½ x 5, 7½ H.P., Capacity 45 g.p.m., 625 ft. head.
1—Gardner-Denver Electric Pump, Tex Rope drive, Size 4½ x 6, 20 H.P., Model FG-FXGF, Capacity 93 g.p.m., 625 ft. head.
1—Gardner-Denver Electric Pump, Tex Rope drive, Size 3½ x 5, 10 H.P., 45 g.p.m., 643 ft. head, Model FF-FXFD.
1—Cameron Steam Pump, Size 8 x 4 x 12, Model SSE.
1—Gardner-Denver Steam Pump, Size 4½ x 3 x 4, Model AE-6.
1—Wagner Steam Pump, Size 3 x 2 x 3.
1—Worthington Steam Pump, Size 4½ x 2¾ x 4.
1—Canadian Fairbanks-Morse Steam Pump, Size 6 x 4 x 6.
1—Ingersoll-Rand Sump Pump No. 25.

ORE CARS

24—One ton Ore Cars, with Roller Bearings, 18" gauge. All overhauled and in good condition.

ROCK DRILLS, ETC.

7—Ingersoll-Rand R-51 Stopers and Spare Parts.
2—Ingersoll-Rand SAR-120 Stopers and Spare Parts.
7—Ingersoll-Rand N-82 Drifters and Spare Parts, Air Hose, Water Hose, Lubricators, new and used. Column Bars, Arms and Clamps.
1—Ingersoll-Rand No. 40 Drill Sharpener.
1—Oil Furnace for Heating Steel.
6—Tons Drill Steel 1" Q.O. (new).
6—Tons Drill Steel 1" Q.O. (made up).

GENERAL

10,000 lin. ft. 1" Pipe.
10,000 lin. ft. 2" Pipe.
3,000 lin. ft. 3" Pipe.
4,000 lin. ft. 4" Pipe.
} All reconditioned and in good order.
Valves, Tees, Unions, etc., for 1", 2", 3" and 4" pipe.
50 tons 12 lb. Steel Rail with Fish Plates, Bolts and Spikes.
2—1 ton Sinking Buckets.
2—2 ton Skips.
2—4½' x 5' Cages.
4—48" Sheave Wheels with Bearings.
17—Benjamin Mine Station Signals.

CABLE

2,000 ft. No. 8 3 cond. Aluminum Armored Teck Cable.
2,000 ft. No. 8 3 cond. Copper Armored Teck Cable.
2,000 ft. 7 cond. Neoprene Jacket Mine Signal Cable.

ASSAY EQUIPMENT

1—Denver Assay Furnace, Type 412, 1 Muffle, for 30-20 g. Crucibles.
1—Size O Mitchell Crusher.
1—Braun Pulverizer, Type UA.
1—Heusser Assay Balance, Group A, 1/500 sensitivity.
1—Analytical Balance.
1—Pulp Balance, Size A.

CRUSHING & MILLING EQUIPMENT

1—15 x 9 Blake Allis-Chalmers Jaw Crusher.
1—Jeffrey Revolving Trunnion Trommel Screen, Size 42" x 72".
1—24" x 54" Cantilever Grizzley, 3" bars.
1—5 x 6 Allis-Chalmers Ball Mill with 75 H.P. Motor and Tex Rope drive. Ni-hard Liners almost new.
1—Set Shell Ni-hard Liners for above.
25—Tons 3" and 4" Chrome Forged Grinding Balls.
1—5' x 21'8" Dorr DSFH Classifier with Steel Tank and Belt Drive.
1—12" x 18" Denver Mineral Jig with 1 H.P. Motor.
1—30" x 8' Single Deck, Industrial Type Niagara Screen, Model "S".
1—Stephens-Adamson Bucket Elevator, 42 tons per hr., 35'-0" centres, 10 x 6 Buckets.
1—36" x 48" Amalgam Barrel with Stand and Motor (new).
1—36" x 48" Amalgam Barrel (used).
1—Conveyor 14' centres, 30" wide.
1—Conveyor 26' centres, 24" wide.
1—Conveyor 15' centres, 16" wide.
1—Conveyor 225' centres 16" wide with 5 H.P. Motor and Starter.
1—8 Cell No. 18 Special Left Hand Denver Sub-A Flotation Unit, with Wood Tanks. Each 2 cells driven by 5 H.P. Motor. Unit includes:
  8—Flotation Cells.
  1—8 x 8 Conditioner with Tank.
  1—11 x 8 Thickener with Tank.
  1—1" L.H. Diaphragm Pump.
  1—4' x 18" Rotating Vacuum Filter.
  1—Dry Vacuum Pump, Receiver, etc.
  1—12" Dry Reagent Feeder.
  1—12" 3 comp. Wet Reagent Feeder.
  1—Midget Feeder.
  Motors and Starters for above.

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WHO HAS RECENTLY INSPECTED THE PLANT

Pool Delivery Meets Test

Push Plan After St. Catharines Trial Succeeds

By ROBERT C. STARK

> **The Wartime Prices and Trade Board is urging merchants to adopt a co-operative scheme of pooled deliveries to save hard-to-get gasoline and tires. Proof that the plan works is provided by a month-long experiment carried out in St. Catharines. Results of that trial have been worked out, the difficulties smoothed over. Now ready is a complete, compact blueprint for any group of retailers who want it.**

After three and a half years of war Canada is still wasting gasoline and tires. There are some delivery trucks still travelling over duplicate routes, burning up two of the most war-important commodities.

Need for ending this situation has been given a new urgency by further gas restrictions and by the fact that many retailers' trucks are now running on what may be their last rubber for the duration.

Remedy for this wastage is seen in co-operation among retailers. A blueprint toward that objective has already been drawn up, and is being made available across Canada by the Wartime Prices and Trade Board. So far there is no compulsion involved in trying to get retailers together in a scheme to trim the wartime non-essentials from their delivery systems. For the present W.P.T.B. is simply pointing out that such a step would be primarily for the merchants' own benefit, and trying to get them interested on a voluntary basis.

Basis for this effort is no airy theory. Last November, 27 St. Catharines, Ont., merchants, under the guidance of the management service division, W.P.T.B., tried out pooled deliveries for an experimental month, got these startling results:

	Before Test	During Test	Savings %
No. of vehicles	26	7.2	73
Weekly mileage	5,000	1,280	74
Weekly man-hrs.	1,082	770	30
Weekly deliveries	6,135	3,505	43

The experiment ended Dec. 31; since then the results have been set down, the difficulties discussed, some of the plan's original "bugs" worked out. Result is a compact, case-proved system ready to hand to any municipality that figures a lot can still be done toward saving manpower, gasoline and tires through pooled deliveries.

Ten Dangers

The St. Catharines trial voyage charted ten reefs that should stand in good stead any future pooled delivery scheme.

The reef-skirting chart:

Provision of adequate working capital at the outset.

Guarantee of an adequate and continuous supply of trucks and helpers.

Appointment of a satisfactory manager by the merchants.

Detailed education of store employees in the workings of the pool.

Education of drivers and depot help in responsibility to the stores and consumers.

Consideration of inclusion or exclusion of heavy deliveries.

Co-ordination of the routine with that utilized by mail order houses operating in the area and speeding up of handling C.O.D.'s and returns.

An adequate accounting system.

Consideration of establishing rates upon a pro rata weekly or monthly basis.

Provision of sufficient trucks for week-end food deliveries, which might involve eliminating deliveries of general merchandise on Saturday.

Why City Chosen

St. Catharines, with a population of some 32,000 and a retail delivery area of 80 miles, was chosen for the test because of the existence there of a tight labor market caused by an expanded war industry. Necessaries for the test were co-operation between the merchants, truckers and the local Chamber of Commerce, plus explanation to the public. Here is how the plan was worked out:

To arrive at a basis for establishing rates and planning the pool operations, each merchant participating gave this information:

1. Number and type of trucks operated.
2. Number of parcels delivered weekly.
3. Estimated weekly mileage consumed by the vehicles.
4. Number of man-hours devoted to deliveries.
5. Delivery cost per parcel for each store and per mile of operation.

Upon the basis of street maps the city and surrounding area was divided into seven delivery zones, roughly equalized for the number of residences and the distance to be travelled. Arrangements were then made to provide a truck per 1,000 parcels weekly and premises obtained in a vacant garage showroom for sorting and routing parcels. Support of the public was enlisted through press and radio announcements.

Flexible Routine

Actual operating routine designed for "Wartime Delivery Service" was planned to provide flexibility, make possible the minimum amount of supervision, and expedite handling and settling of retail deliveries.

The pool depot was equipped with a series of bins used for sorting the individual parcels into routes. An alphabetical street index along with a large map greatly helped the sorting problem.

Each evening between five and six, two trucks picked up from the member stores the light packages sold and made ready for delivery up to three o'clock that day. These packages were checked at the depot against the daily summary or record bill supplied by the store. During the evening, the parcels were sorted into routes and listed so that everything was in readiness for the drivers to load and get away as quickly as possible the following morning.

Changes Needed

Two amendments were soon found to be necessary. As the parcels for delivery from the two mail order houses arrived in St. Catharines early in the morning and were ready for pickup before noon, it was found that to leave them at the order offices until the close of business inconvenienced the staffs of the organizations concerned.

In addition, it aggravated the problem of sorting to be carried out at the depot at night. Accordingly parcels to be delivered from the mail order offices were picked up as soon as possible in the morning.

It was also discovered that when the pickup was carried out between five and six o'clock in the afternoon, some member stores would not have their parcels ready. To meet this situation, it was decided to pick up between nine and nine-thirty in the morning from all but the mail order houses. This resulted in the mail order work being carried out during the afternoon and evening and the pickups from the other stores being sorted in the morning and going out on the afternoon delivery.

By this means all parcels were dispatched to the customers on the following afternoon and mail order parcels, of which a substantial portion were C.O.D.'s, were delivered in the morning.

Food Delivery Problem

Deliveries for food stores required a special routine. Because of weight and bulk it appeared impracticable to handle these at the same time as any large volume of light delivery packages. Moreover, many orders included perishable goods and storage of such parcels in the depot prior to delivery seemed inadvisable.

Owing to those factors it was arranged that pickups from the food stores would be made between twelve and one o'clock each day, of all purchases made up to eleven o'clock that morning. The orders were then sorted, listed and delivered in the afternoon, within five or six hours after their receipt by the pool.

As the great bulk of food deliveries fall on Friday and Saturday this frequently caused subdivision of certain delivery routes on those days, since it was impossible for one truck to carry on the deliveries for a complete area. Friday and Saturday normally account for approximately 65% of the total week's deliveries of food and Saturday alone represents approximately 40% of the week's total.

C.O.D. Deliveries

To handle C.O.D. deliveries a tag made in four sections, all numbered serially, was designed on the same principle used by the post office in handling C.O.D. shipment by mail.

The first section of the tag was filled in and retained by the store as its charge against the delivery service for the amount to be collected and remitted to the store. The second section was detached as the parcel was received and held at the pool office as a charge against the driver for the C.O.D. parcel taken out. The third section was detached by the driver when he collected the amount and was turned in by him with his day's collections. The final section with the address remained on the parcel when delivered. This system worked out very smoothly, certain modifications being made to handle the mail order C.O.D. business.

Out of the St. Catharines month-long test has come proof that substantial savings are possible in the field of retail delivery. That experience has provided a detailed blueprint for the organization and operation of delivery pools. With the benefits of such pooled delivery systems coming back to the merchants in saved manpower, gasoline, tires and equipment, the incentive for instituting the plan would seem necessarily to arise from the merchants themselves.

Nova Scotia Coal Mines Have Wages Levelled

Nearly 3,000 Nova Scotia coal miners employed by Nova Scotia Steel & Coal Co. and Acadia Coal Co. have had their wages levelled up to those paid by the Dominion Coal Co.

Company officials and the executive of the United Mine Workers, District 26, have signed a new contract increasing basic wages to $3.90 a day, the same as paid workers in the Dominion Coal Co. pits.

The wage increases will be retroactive to Oct. 3, 1942, and are expected to cost more than $300,000 annually.

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DOMINION TAR & CHEMICAL COMPANY LIMITED

AND SUBSIDIARY COMPANIES

Annual Report for the year Ended 31st December, 1942

CONSOLIDATED BALANCE SHEET

ASSETS	As at 31st Dec., 1941	As at 31st Dec., 1942
CURRENT AND WORKING ASSETS:		
Cash	$ 439,331.01	$ 606,849.62
Accounts and bills receivable—less reserves	2,380,639.83	2,407,122.67
Inventory of finished products, raw materials and supplies, as determined from the companies' records, valued at or below cost and as certified by officials of the companies	1,814,042.42	1,600,858.30
Unexpired insurance	16,201.90	89,209.09
Dominion of Canada Bonds—par value	......	900,000.00
Book value of life insurance policies	55,800.00	......
	$ 4,706,015.16	$ 5,604,039.68
INVESTMENTS:		
Shares of other companies at cost and advances to employees	29,126.80	27,827.80
REFUNDABLE PORTION OF EXCESS PROFITS TAXES—estimated	......	86,500.00
FIXED ASSETS:		
Valued at cost, except in the case of properties acquired from subsidiary companies which are valued on the basis of appraisals by Canadian Appraisal Company Limited in 1940 and 1941.		
Land	930,197.44	930,707.44
Buildings, plant, machinery, equipment and mineral lease	8,685,769.26	8,820,306.21
	$ 9,615,966.70	$ 9,751,013.65
Less: Reserves for depreciation	2,642,472.14	3,376,952.41
	$ 6,973,494.56	$ 6,374,061.24
GOODWILL:		
Represented by the amount paid for shares of subsidiary companies in excess of the book value of the net tangible assets applicable thereto, less amounts written off	$ 1,750,000.00	$ 1,500,000.00
	$13,458,636.52	$13,592,428.72

LIABILITIES		As at 31st Dec., 1941	As at 31st Dec., 1942
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities, including appropriation for capital payment to establish an employees' retirement annuity fund		$ 1,195,880.19	$ 1,655,612.77
Accrued interest on debentures		21,525.00	20,650.00
Reserve for income and excess profits taxes, and other accrued taxes		1,013,495.70	1,251,852.19
Dividends declared on preference stocks—			
Alberta Wood Preserving Company Limited		3,760.00	2,884.00
Dominion Tar & Chemical Company Limited		69,231.25	69,231.25
		$ 2,303,892.14	$ 3,000,230.21
SECURED DEBENTURES:			
Total authorized issue	$7,500,000.00		
Serial debentures 3½% Series "A" due 15th November, 1943 to 1944		600,000.00	400,000.00
15 Year debentures 4½% Series "A" due 15th November, 1951		3,360,000.00	3,360,000.00
CAPITAL STOCK AND SURPLUS:			
Preference Stocks—			
Dominion Tar & Chemical Company Limited—5½% Cumulative preference stock:			
Authorized—75,000 shares of $100.00 each	$7,500,000.00		
Issued and fully paid—50,350 shares (Redeemable upon sixty days' notice at 110% and accrued dividends).		5,035,000.00	5,035,000.00
Alberta Wood Preserving Company Limited—7% Cumulative redeemable preferred stock:			
Authorized and issued—3,455 shares of $100.00 each	$ 345,500.00		
* Outstanding in the hands of the public (Redeemable upon sixty days' notice at 105% and accrued dividends.)		216,000.00	164,800.00
Industrial Minerals Limited—During the year all the preference shares of Industrial Minerals Limited outstanding in the hands of the public were purchased or redeemed. There were outstanding in the hands of the public, at 31st December, 1941—			
4,008 First preference shares		40,080.00	....
39,240 Second preference shares		39,240.00	....
Common Stock—Authorized—450,000 shares without nominal or par value—Issued and fully paid—373,884 shares		711,253.00	711,253.00
Earned Surplus—as per attached statement		1,153,171.38	834,645.51
Deferred Surplus—Refundable portion of excess profits taxes—as per contra		....	86,500.00
		$ 7,194,744.38	$ 6,832,198.51
		$13,458,636.52	$13,592,428.72

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the books and accounts of Dominion Tar & Chemical Company Limited for the year ended 31st December, 1942, and the books and accounts of subsidiary companies, with the exception of three subsidiaries whose accounts, which have been examined and reported upon by other chartered accountants, are included in the above Consolidated Balance Sheet. We have obtained all the information and explanations which we have required.

In our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the combined companies' affairs, according to the best of our information and the explanations given to us and as shown by the books of the companies.

(Signed) McDONALD, CURRIE & CO.
Chartered Accountants.

Montreal, 3rd March, 1943.

APPROVED ON BEHALF OF THE BOARD:
LIONEL O. P. WALSH }
J. A. KILPATRICK } Directors.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the Shareholders:

Your Directors submit herewith a Consolidated Statement of the affairs of your Company and its Subsidiaries for the fiscal year ended the 31st of December, 1942. The Auditors' Report to the Shareholders is attached.

The net operating profit before charging Debenture Interest, Depreciation and Income Taxes at $3,018,872.88 compares with $2,292,999.41 in 1941, an increase of $725,873.47.

The profit before Income Taxes at $2,113,067.61 compares with $1,639,674.41 in 1941, an increase of $473,393.20. The provision for Income Taxes of $1,428,790.00 includes an amount of $86,500.00 estimated to be refundable and compares with $996,354.52 for 1941. The net profit amounts to $684,277.61 compared with $643,319.89 a year ago.

The expenditures on additions to the fixed assets were $135,046.95 which is less than was anticipated. The provision for Depreciation this year includes special allowances by the Government on properties built for War purpose.

All the Preference Shares of Industrial Minerals Limited outstanding in the hands of the public were purchased or redeemed and further Preference Shares of Alberta Wood Preserving Company Limited were purchased, a total par value of $130,520.00 being involved.

The balance of the Preference Shares of Alberta Wood Preserving Company Limited, having a redemption value of $173,040.00, were paid off on the 1st of January, 1943. There are, therefore, now no minority interests and future earnings will be relieved of the appropriation for dividends thereon.

The $200,000.00 of Serial Debentures falling due in November were paid off in the ordinary course.

After careful consideration your Directors have approved an Employees Retirement Annuity Plan effective 1st December, 1942, which is on an equal contributory basis in respect of future benefits, the Company paying the cost of past benefits for which $485,000.00 has been provided. The Life Insurance Policies have been surrendered and the balance of cash value thereof carried to Surplus.

After crediting the year's earnings, and after writing $250,000.00 off Goodwill and making provision for the Pension Fund already referred to, the Earned Surplus Account stands at $834,645.51 as compared with $1,153,171.38 a year ago.

The Working Capital amounts to $2,603,809.47 which compares with $2,402,123.02 a year ago.

The volumes of Sales and Services were maintained at a high level. Late in the year, however, shortages of materials and labour became more pronounced. This condition is not expected to improve and, together with anticipated lower volume of construction throughout the country, will reflect on your Company's business.

Once again your Directors wish to acknowledge the loyalty, initiative and excellent work performed by the officers and staff under most trying conditions.

On behalf of the Board,

LIONEL O. P. WALSH,
President.

Consolidated General Statement of Income and Expenditure For the Year Ended 31st December, 1942

Net Operating Profit—before making the following deductions		$3,146,213.67
Legal expense	$ 21,001.24	
Salaries and fees paid to executive officers	101,623.58	
Fees paid to other directors	4,715.97	
		127,340.79
		$3,018,872.88
Interest on debentures	$ 171,325.00	
Provision for depreciation*	734,480.27	
Provision for income and excess profits taxes	1,428,790.00	
		2,334,595.27
Net Profit for the year		$ 684,277.61

Consolidated Statement of Earned Surplus For the Year Ended 31st December, 1942

Balance as at 31st December, 1941			$1,153,171.38
Add:			
Net profit for the year		$ 684,277.61	
Less: Miscellaneous adjustments		3,970.73	
			680,306.88
			$1,833,478.26
Deduct:			
Dividends on preference stocks—			
*Alberta Wood Preserving Company Limited		$ 13,567.75	
Dominion Tar & Chemical Company Limited		276,925.00	
			290,492.75
			$1,542,985.51
Deduct:			
Appropriation for capital payment to establish an employees' retirement annuity plan		485,000.00	
Less: Cash value of life insurance policies to be surrendered	$82,460.00		
Book value of policies	55,800.00		
		26,660.00	
		$ 458,340.00	
Amount written off goodwill account		250,000.00	
			708,340.00
Balance as at 31st December, 1942			$ 834,645.51

We Have Been Asked . . .

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave. A three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed.

Stocks

St. Maurice Power

I have $1,000 for reinvestment and would appreciate if you would let me have some information on the position of St. Maurice Power Corp. 4½% bonds.

While St. Maurice Power Corp. has been in operation only a short time, its entire output is sold and revenues are running well in excess of what had been estimated at the time the first mortgage bonds were issued early in 1940. In 1941 the company reported net earnings of $941,212, compared with interest charges of $450,000 on the first mortgage bonds. The report for 1942 is expected to show a further improvement. Under the terms of contracts between the company, Brown Corp. and Shawinigan Water & Power Co., it is assured of sufficient revenues to service its first mortgage bonds.

Imperial Tobacco

It has been suggested to me that I might buy some of the ordinary stock of Imperial Tobacco Co. of Canada and before taking action, I would like to have a report on this company.

Imperial Tobacco Co. of Canada is the principal tobacco manufacturer in Canada, accounting for over 70% of the total available business. Dividends have been paid without interruption since the company was formed in 1912. In 1942 it earned and paid regular dividends of 40 cents a share on the ordinary stock. In addition there was a final payment of 17½ cents a share. Based on the report for 1942, indications are that with the full application of the excess profits tax the company will not be able to make a final dividend payment in 1943 as large as was the case in 1942, unless it secures a larger income from subsidiary and associated companies.

Saguenay Power

I have been thinking of purchasing some Saguenay Power 5½% preferred stock and would like to have your opinion on this security.

Saguenay Power Co. has a well-established earning power and its output has been sold under long-term contract. In 1942 earnings available on the prefered stock were equal to $28.26 a share as against dividend requirements of $5.50. After allowing for the full effect of the excess profits tax, indications are that the dividend will be covered by a comfortable margin in 1943.

New Wartime Regulations

Post Summary of Latest Ottawa Rulings

BEEF PRICES. W.P.T.B. order 232, Feb. 18, sets maximum prices for various cuts of beef in Toronto and Winnipeg. W.P.T.B., chairman, Donald Gordon.

* * *

USED METAL PIPE. W.P.T.B. order A-625, Feb. 23, freezes sale of used metal pipe except under certain listed conditions or by permission of the administrator, and applies maximum prices. Adm. of Used Goods, S. Godfrey.

* * *

USED STEEL SHAFTING. W. P. T.B. order A-626, Feb. 23, sets maximum prices for and forbids sale of used steel shafting, except in certain cases, without permission of administrator. A statement of all such material held currently is ordered from each dealer. Adm. of Used Goods, S. Godfrey.

* * *

ELECTRIC LAMPS. W.P.T.B. order A-607, Feb. 27, lists types of incandescent and other electrical bulbs which may be made. Other production is banned. Adm. of Electrical equipment, A. L. Brown.

* * *

BUSINESS SUCCESSORS. W.P.T.B. order 185, March 2, deals with price ceiling regulations as they affect a new operator of a previously established business, or a business newly in operation. W.P.T.B., chairman, Donald Gordon.

* * *

TAX CHANGES. W.P.T.B. order 245, March 3, deals with price increases under the 1943 Federal Budget, and allows that such increases shall be to the amount of the tax only. W.P.T.B. chairman, Donald Gordon.

* * *

CIGARS. W.P.T.B. order A-630, March 5, allows an increase in the price of cigars on which the new budget raised taxes. The order provides for distribution of the difference which may occur in various cases between tax and price increase. Adm. of Tobacco, David Sim.

* * *

KNITTED GOODS, W.P.T.B. order A-633, March 9, revokes order A-315 and restricts manufacture of knitted goods in style, color and output. Adm. of Knitted Goods, H. G. Smith.

* * *

KNIT HOSIERY. W.P.T.B. order A-632, March 9, revokes order A-244 and A-383, and sets certain restrictions on manufacture and packaging of circular knit hosiery. Adm. of Knit Goods, H. G. Smith.

Business in War

Notice to Tenant

I own a house that is now rented. Do I have to give 12 months notice if I decide to move into it myself?

No, if you are going to live there yourself, and your tenant is a monthly tenant, only three months notice would be required. However, if your tenant has signed a lease for a certain term, you may give notice three months before the end of the term. You must, of course, undertake to live in the house yourself for at least one year from the time the tenant vacates.

Income Tax

New Plumbing

I own a property in part of which I once operated a small lunch room. I now rent the space to a tenant. The lease states definitely that the rent is a percentage of net profit and is for the rental of the lunch room and its equipment and living quarters heated. I pay taxes and insurance. In 1941 all new plumbing was installed in the shop, seen and approved by the municipal health officer. In 1942 the city passed a new by-law which necessitated changing this newly installed plumbing. This was paid from the gross earnings of the lunch room before any division of the net was made between the tenant and the proprietor. Which of these expenses are deductible from income, for income tax purposes?

As the property is used in earning your income you should be allowed to deduct taxes and insurance from the gross income as a cost of doing business. The extra plumbing expenses we believe would be allowed as a deduction from income because required by civic ordinance. It would be well however to take up the whole matter with the income tax inspector in your district.

Supports Parents

My brother and I are both contributing to the support of our parents who live with a married sister. Are we entitled to any consideration on this account in regard to income tax? If so what? Our sister does not contribute financially.

As your parents are living with your sister, the best plan would be for you and your brother to each claim one parent as a dependent. You would each then be entitled to deduct $28 from the amount of normal tax due and from graduated tax, you would be entitled to deduct 20% of the amount contributed with a maximum contribution of $400 a year allowed. This means the maximum deduction you could make from your graduated tax on account of each dependent parent would be $80.

UTILITY DIRECTOR

Arthur S. Torrey, vice-president of W. C. Pitfield & Co., Montreal, who has been elected a director of B. C. Telephone Co. Mr. Torrey is also vice-president and director of Phillips Electrical Works.

What Excess Profits Taxes Should You Pay?

A Series of Articles Dealing With Canada's Most Complex Tax Problem.

Following the series of 20 articles on personal and business income taxes, Mr. Gordon has written a series of articles dealing solely with the problem of excess profits taxes.

In many cases the language of the Canadian Act is similar to the words used in the English statute and in such cases the rules of interpretation laid down by the English judges in some 200 cases are of assistance in determining the rights of the Canadian taxpayer. Comparatively small number of definite Canadian decisions means that many of the interpretations given in this series should be regarded as the result of informed opinion rather than as official rulings.

Mr. Gordon has specialized on tax questions, and is the author of "Digest of Income Tax Cases of the British Commonwealth of Nations," published by the Department of National Revenue, Ottawa, 1939, with one supplement 1937-39 and another to appear next April. Mr. Gordon is also the author of, "Digest of Excess Profits Tax Cases of the British Commonwealth of Nations, 1942." Any of these works may be obtained on application to The Financial Post, Toronto.

Where Capital Employed is Small

ARTICLE NUMBER THREE

By MOLYNEUX L. GORDON

It frequently happens that companies have lost part of their capital or for some special reason are operating with little or no capital. Very little money is required to finance a patent medicine because the cost of manufacturing the medicine is small and the sales may be large. An insurance agency only requires sufficient capital to provide for office furniture, salaries and a small sum to enable the agency to remit premiums pending collections from its clients. Other companies may borrow most of their requirements from a parent concern, or operate by borrowing money from the bank secured by a guarantee given by the principal shareholders.

These concerns are covered by section 5 (3) (a) and (b). These sections direct that in case of a business where capital has become abnormally impaired or is abnormally low the board shall ascertain the standard profits of such persons having regard to the standard profits of taxpayers in similar circumstances engaged in the same or an analogous class of business. In these cases the minister has no discretion but must refer the matter to the board. When you come before the board you will find that you will be dealt with in one of two ways:

Two Methods of Approach

The first case applies to those companies which only require a nominal amount of capital, such as an insurance agency. In such cases the board will look at all the facts and allow what it considers fair, not being limited to any specific percentage.

The other class is where the business requires substantial capital but raises the money by other means, as, for instance, by the issue of debentures. In this latter case the board endeavors to ascertain the amount of capital which a similar business would probably employ and allows the taxpayer from 5% to 10% thereon.

The reason for the difference in the treatment is due to the fact that it is only depressed companies that go before the board. The board does not think it is reasonable to allow a depressed company, which has an abnormally low capital, profit exceeding 10% because, if it had been properly financed, it could not allow more than 10%.

The clause in the act which permits certain taxpayers to estimate their standard profits, make a return and pay on account, is very important because the amount due for excess profits tax is frequently very large and bears interest at 5% which is non-deductible. If a company sets up a reserve for tax and invests this money in bonds, pending disposition of its case, the interest is taxable. So in all cases where a taxpayer is permitted to pay on account, it is wise to do so.

New Businesses

The act divides taxpayers who commence business after Dec. 31, 1937, into two classes:

(1) Taxpayers who commenced business after Dec. 31, 1937, but before Jan. 1, 1939. If such taxpayers are satisfied with their standard profits they will be based upon the earnings during the actual time the taxpayer was in business. If the taxpayer commenced business on Jan. 1, 1938, he takes the profits for 1938 and 1939 and divides them by two. If this taxpayer is not satisfied with his profits he may apply to the minister, who must direct the board to fix standard profits.

(2) Taxpayers who commenced business after Jan. 2, 1939. In all cases the matter must be referred to the board.

Any company who increases or decreases its capital to the extent of 33 1/3%, provided this increase or decrease is reflected by a change in the capital stock, is entitled to the same treatment as a new company.

New Business Favored

A taxpayer commencing a new business is in a favorable position because the board is directed to ascertain its standard profits on the same basis as taxpayers in similar circumstances engaged in an analogous class of business. The board is not limited to an allowance of 5% or 10% upon the capital employed but may allow whatever percentage it deems fair and reasonable.

A taxpayer who takes over the business of a going concern after June 1, 1938, may request the minister to direct the board to take into account the earnings of his predecessors in estimating the standard profits of the new business.

The minister is not bound to accept the recommendation of the board but may appeal to a subcommittee of the Treasury Board composed of the Minister of Finance and five Cabinet Ministers. The taxpayer has no appeal. Up to date the minister has always accepted the recommendations of the board and it speaks well for the manner in which cases have been decided that few complaints have been made public by the taxpayers affected.

N. B. Power Co. Seeks New Bond Authority

New Brunswick Power Co. has applied to the Provincial Legislature for authority to issue bonds or debentures to an amount not exceeding $2.5 millions to "refund, compromise or otherwise discharge all or any part of the company's outstanding indebtedness." At the end of last year, the balance sheet showed the company to be heavily indebted to the parent concern, Federal Light & Traction, on current account.

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Ford of Canada, the largest producer of military vehicles in the British Empire, is proud of the fact that these well-built, thoroughly-tested Canadian products are winning the "thumbs-up" approval of seasoned fighting men on all fronts.

• • • •

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THE FINANCIAL
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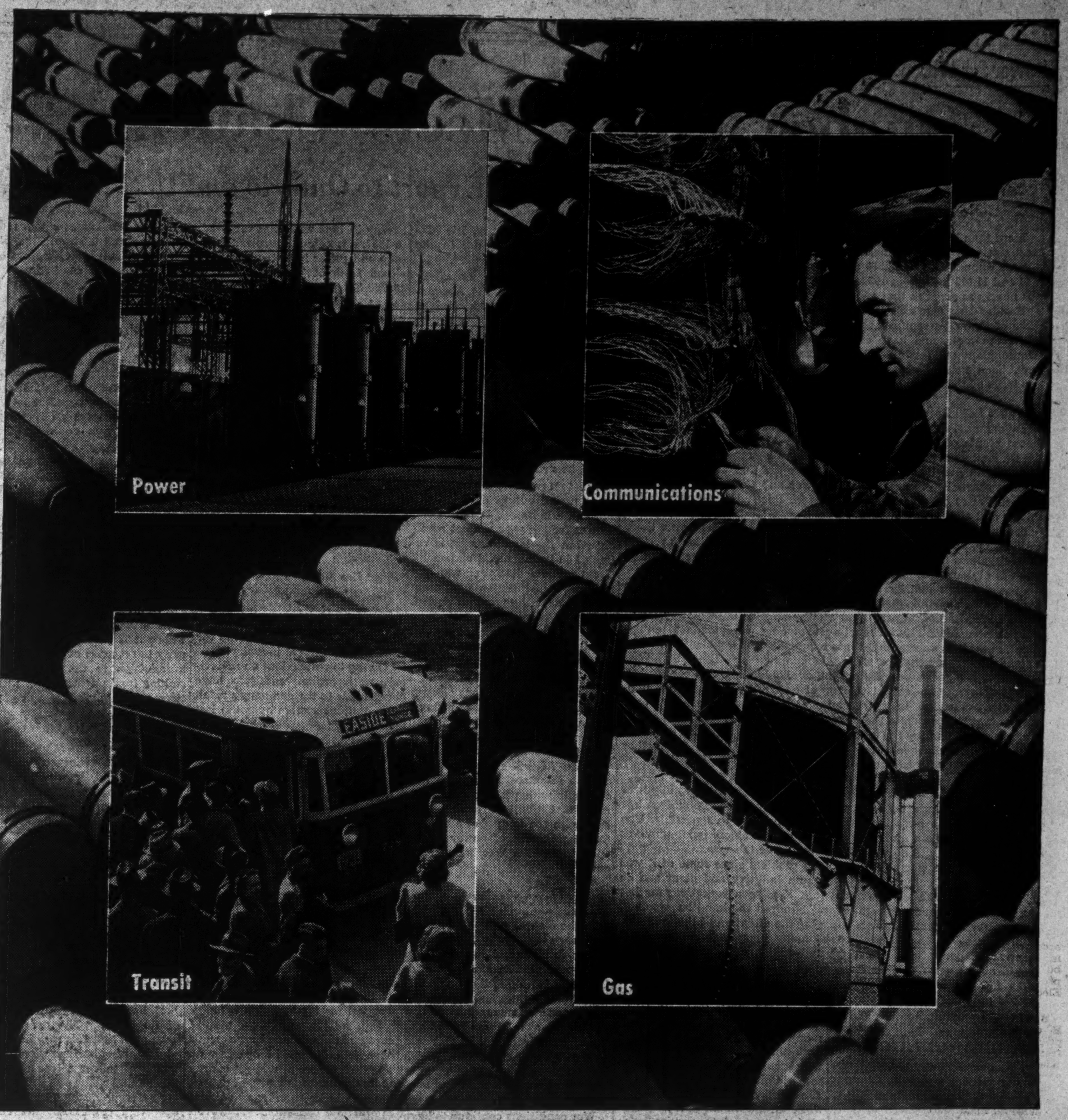
Utilities — Our Strength For War and Peace

Power companies have created huge surplus capacity to meet emergency requirements, but hope to smooth postwar transition by careful planning; other utilities face fewer problems



These Peaceful Services are the Sinews of Canada's War

By JOHN E. LANGDON

When the postwar period of rehabilitation rolls arounds, Canada's public utilities, as a group, will face the problem of what to do with the largest surplus of capacity they have ever had on their hands.

Overcapacity is nothing new for the utilities. It has always been their policy to build ahead of demand, and for that reason Canada has enjoyed a utility service unexcelled in any other part of the world.

At times this plan has backfired as when the normal demand expected did not develop. An outstanding case was the depression of the early 1930's when the industry had to carry the burden of too much capacity arising out of boom conditions in the late 1920's.

Surplus When War Started

When Canada entered this war it still had a surplus of utility facilities. This was extremely fortunate for it enabled Canada to embark on a tremendous industrial war programme. The surplus was quickly exhausted and, in many cases, the utility operators have had to spend large sums of money on additional equipment to meet essential requirements.

The industry recognizes that after the war peacetime demands may fall far short of the capacity of the facilities available.

To a large degree the war-created capacity may have to be added to the surplus which the industry had when war started.

Industry Looks Ahead

When it comes to deciding how these facilities can be usefully employed after the war, the problem breaks down to a study of the situation in the territory of each operator, for the problems that affect one may not affect the other.

The utilities comprise four main branches—power, communications, tramways and gas. The only thing they all have in common is that they perform a public service. Their operations vary greatly, as also the service performed. Each must work out its own postwar programme independently of the others.

Power a Major Problem

Prospects for the postwar rehabilitation of the power companies are somewhat clouded. In the maritimes, the prairies and in British Columbia, the power industry may not have too great difficulty in making the adjustment.

An entirely different situation exists in Ontario and Quebec. Huge surpluses are to be expected in the Saguenay, the St. Maurice, Montreal and Ontario Hydro areas. There the operators have spent millions of dollars on new generating equipment, substations and transmission lines to meet war demands. This, added to the surplus capacity which existed at the beginning of the war, creates a serious oversupply situation for the industry.

Centre in Central Canada

Well over two million h.p. of electrical energy in Quebec-Ontario will have been diverted to war use by the end of this year. The reallocation of this huge supply of energy after the war is one of the stiffest problems faced by any Canadian industry.

As far as the Saguenay is concerned, the new power capacity for war service could be closed down without monetary loss, owing to the type of contract made with the British and American governments which financed the developments. Elsewhere in Ontario and Quebec the problem is one very much on the minds of the operators and will almost certainly have to be solved by increasing the use of power. This, of course, is the ideal solution for the surplus power problem in all localities.

Too Much Capacity

The restoration of normal services to domestic and commercial users will hardly make a dent in the surplus arising from the shutdown of war industries.

On the other hand, resumption of normal operations in the pulp and paper industry will provide a market for as much as 200,000 h.p.

It is not certain that the aluminum industry will continue all-out after the war. The huge Arvida plant could produce enough aluminum in one month to supply the greater part of the world's peacetime needs for a long time. And Arvida is not the only aluminum smelter in Canada or the world.

Electricity for Farmers

Several suggestions for the relief of the power industry have been advanced. In particular, rural electrification has been suggested as the salvation of the industry. Extension of rural services undoubtedly would result in valuable social benefits. On the other hand, the value of rural electrification as a means of solving the industry's after-war problem has been greatly exaggerated or misunderstood.

The position of rural electrification in Canada as at 1941 follows:

Rural Electrification

	Occupied farms 1941	Served with electricity in 1941	% Served
P. E. I. ..	12,240	844	6.9
N. S.	33,000	6,270	19.0
N. B.	31,838	5,803	18.2
Quebec ..	154,184	27,413	17.7
Ontario ..	179,188	65,442	36.5
Man.	58,686	338	0.6
Sask.	139,287	221	0.2
Alta.	100,333	905	0.9
B. C.	25,980	2,249	9.0
Yukon ...	24	......	.1
Total	734,760	109,485	14.9

Obviously this is a field of service which can be developed by the electrical utilities.

But what does it mean to the operators? How much power can be sold?

There are many farms in Quebec and Ontario so located that it is impossible to provide them with electrical service. But assuming that it were possible to electrify every farm and that the consumption of energy for each customer was the same as is now used by farm customers, the complete rural electrification of Quebec would require only 44,788 h.p.

Power Load Small

To bring this power load into proper perspective, it need only be mentioned that a single generating unit in any one of Quebec's several major power plants could handle the entire rural demand.

Then consider rural electrification in Ontario. Farm customer consumption of energy in that province is higher than in Quebec and there are a larger number of farms.

If all Ontario farms were electrified, an additional 115,000 h.p. would be required on the present scale of consumption.

Rural electrification will help, but it falls far short of solving the overcapacity problem which will exist in Ontario and Quebec after the war.

Domestic Demand Limited

It has been suggested that domestic consumption could be stimulated.

Average domestic consumption of electrical energy for each customer in Canada in 1940 was only 214 kilowatt hours.

The range was from an average of 33 kilowatt hours in Prince Edward Island to 454 kilowatt hours in Manitoba. The latter figure is extremely high due to the liberal use of electricity for hot water heating, etc.

If the Dominion average were brought up to that of Manitoba the additional market would take up less than 140,000 h.p. of capacity or under 5% of the surplus power which is expected to be available when the war ends.

Household Heating Out

Before examining prospective industrial demands, it might be worth looking at another suggestion, domestic household heating with electricity.

This is a suggestion which comes up whenever an area is burdened with an excess of power capacity.

The scheme is far from practical. The plain facts are that five million h.p. of capacity would be needed to heat the buildings and homes in a city the size of Montreal.

This is over half of all the power installed in Canada.

The hope of the power industry in Quebec and Ontario in placing its surplus power after the war depends upon the development of industry—not just industry "in general," but a very specialized part of industry.

There is a great misconception of the part which electric power plays in manufacturing. It is very inconsequential as far as most industries are concerned; the average industrial plant has a power load of less than 25 h.p.

The apparent evolution toward electric power in industry is somewhat overemphasized by the practice of installing motors at each machine or group of machines with a greater aggregate capacity than would be required if steam power with belts and shafting were used.

The equipment is not worked to full capacity and beyond the kilowatt hour consumption of the electric motors there are no statistics showing the extent of the use.

However, it is a fact that many industries use electric power exclusively. Many more use it almost exclusively.

Demand Varies Widely

Some industries are very heavy consumers of power. Others are very light users. For example, the automobile industry, which is an important item in the Canadian economy, uses only 22 cents worth of electricity for every $100 worth of products. In other words, only $2.20 worth of electricity would be used in manufacturing a car costing $1,000. The same condition applies to the majority of industries.

There are others, however, which tell a different story. The pulp and paper industry, in peacetime, is the biggest user of power in Canada. Some 11% of its total manufacturing expenses is for light and power. The non-ferrous smelting and refining industry records that 4.14% of its costs are for electricity. But the prize goes to the chemical industry, which reports that 12.6% of its expenses are for the purchase of electricity.

Major Power Outlets

It is in these three fields that the power industry in Quebec and Ontario must look for the major outlet of its surplus power capacity in the postwar period.

Beyond the restoration of power supplies, the pulp and paper industry appears to have reached a peak of demand, at least temporarily.

If the power companes in central Canada are not going to have a costly generator surplus capacity on their hands after the war, then it must look to the continued development of electro-chemical and electro-metallurgical industries and, associated with the former, the new plastics industry.

These are the big power users and, together with the pulp and paper, provide the very backbone of the power industry demand.

So much for this branch of the utilities.

Telephone Problem Old

In the communications field, the telephone industry will find itself not too badly off. Long distance toll lines undoubtedly will be far in excess of civilian requirements for some years. But this is not a new problem to the telephone companies. They had to contend with it before the war. Certain government services and war industries will make available a large amount of equipment after the war, but the deferred civilian demand may absorb a substantial share of the surplus.

The tramways face a better prospect than is generally believed. In the first instance the closing down of war plants and the slackening of employment in war industries will almost certainly greatly curtail this form of passenger travel. But the resumption of activity in the present non-essential industries will provide employment for large numbers and lessen the unemployment problem.

Moreover, the tramways have been unable to undertake any large capital expenditures for new equipment, owing to their inability to get rolling stock, buses, etc. Obsolete equipment long ago written off has been pressed into service. As traffic volume declines, the tramways can very easily curtail operations to the new conditions without severe financial loss.

Another important factor affecting the postwar outlook for the tram companies is that, depending upon the length of the war, the private automobile will not be a competing agency, for the life of those cars now on the road is definitely limited. After the war it will take the automobile industry a year or more more before it is in a position to provide motor transport for civilians. Thus the tramways operators will probably have a breathing spell wherein they can appraise the outlook and plan accordingly.

Gas Industry Troubles

The gas companies face a more serious situation. Those employing natural gas have seen their reserves greatly depleted over the past three years because of the heavy demand for industrial use. Where manufactured gas is used, the operators have had to spend heavily on capital account to meet requirements.

Up to the outbreak of war the gas companies had experienced difficulty from the depression of the early 1930's. The recovery in sales volume since 1939 has been due to the shortage of other fuels, particularly fuel oil and electricity. Competition from these sources has been severe in recent years, a competition which may prove to have been only temporarily overcome during the war.

Naturally some of the gains secured during the war will be retained.

By and large the after-war problems of the utility industry may be no greater than other forms of economic activity. Their problem is accentuated, however, by the fact that with one or two notable exceptions they have met the greatly increased wartime demand with their own capital. The prospective contraction of operations, combined with a fixed charge for services, may create a very bothersome burden for many of the operators.

Through considering the postwar problem now, the operators hope to alleviate the difficulties attended upon the switch over from war to peacetime operations. These excess facilities will constitute a highly important asset and if they can be put to work, many of the national rehabilitation problems will be served.

Utilities and the Postwar

Now fully extended to meet the needs of war, the network of public services may soon face another task, finding outlets for their added strength, refurbishing their older systems for a world at peace. In summary form, here are the main tasks to be faced.

TRAMWAYS—Rapid replacement of worn equipment, some of it written off before 1939 — a continuing heavy burden until automobile output catches up with restrained demand.

TELEPHONES—Filling the demand for over 30,000 telephones now withheld from civilians by war requirements — repair and replacement of many lines now in service.

GAS COMPANIES—Intensified search for new wells by some natural gas firms, reconversion to civilian demand by most producers of artificial and natural gas.

ELECTRIC POWER—Finding markets for some two million h.p. of new and transferred electricity — rural electrification and civilian consumption only partially solve electric problem..

TELEGRAPHS—Relatively few new problems expected, other than repair, replacement and conversion of some lines to peacetime routes.

Record of War Achievement

Faced With Tremendous Job, Utilities Have Stood All Tests

Now moving into the last half of the fourth year of front-line service, Canada's great public utilities continue to report wartime demands met in full. The flow of materials and supplies — ships, aircraft, munitions, shells, guns, chemicals and the thousand and one other items needed in modern warfare, keeps mounting in volume. Canada has become one of the great arsenals of the United Nations, due largely to the magnificent effort put forth by the power, tramway, gas and communication operators. Without their help, the present scale of the Dominion's war effort on the industrial front would not be possible.

On the home front, the utilities still are able to supply the civilian population with a service not only adequate, but comparable in quality to that of prewar days.

Huge War Demands

In war as in peace Canada's water powers drive her industries. Demands of war industries increased firm power consumption last year to nearly 35 billion kilowatt hours. This was nearly double the prewar primary load. It was by far the largest figure ever reported by the industry. To achieve this record, the effective power plant capacity has been increased roughly one million horsepower since 1939. Under construction and installation is another million h.p. of capacity, scheduled to come into operation this year.

Over half of the effective power capacity, or close to 5 million h.p., is now employed directly and indirectly in the war effort. The diversion of such a large proportion has made it necessary to curtail new services of a non-essential character. In addition, some 400,000 h.p. was picked up in the Ontario-Quebec area through the diversion of power from non-war to war industries; the elimination of electrically lighted outdoor advertising signs; restrictions on commercial use, continuance of daylight saving throughout the winter months, and stricter control over domestic use.

Telephone Services

Telephone services in some sections have had to be limited to essential use. Last year the Bell Telephone Co. of Canada, serving Quebec and Ontario, denied service to upward of 30,000 applying for it. Similar action had to be taken by other telephone systems. Over 1.5 million telephones were in use at the end of the year. Calls handled daily averaged over 255 per capita, indicating a greater use of the telephone in Canada than in any other country.

Allied with the telephone and forming an important section of communications are telegraph, cable and wireless telephone. The increasing tempo of the war has placed heavy demands upon these services. Moreover, they have been able on occasion to relieve the pressure on telephone systems. The telegraph companies still have a surplus of equipment to enable them to handle a larger volume of business. Wireless and cable facilities give the right of way to war business, but the public continues to be well served.

Street Car Traffic

Tram operators continue to record spectacular traffic increases. The daily movement of over a million and a half workers, half of whom work in war plants, has placed a tremendous strain on urban transport. All available street cars and buses have been put into service. Gas and rubber restrictions have steadily lowered the number of private automobiles in operation. The transfer of this traffic to the urban transit systems, on top of normal business, has boosted carryings from 692 million fares in 1940 to 791 millions in 1941 and nearly 900 millions in 1942. No relief is in sight —carryings this year are expected to move up to 1.2 billions.

Gas Sales Rise

The important part of gas in war production gained in emphasis over the past year. Sales have increased 20% since 1939. The demand has come from industry and the burden on the gas industry increased last year. Many plants converted from oil-heating to gas-heating equipment. Equipment shortages have been common. From the supply angle, however, there has been sufficient to meet all demands. Chief exception is the southwestern Ontario region, supplied by natural gas, where service restrictions have had to be enforced by the Power Controller.

Power for War

Quebec Power Meets Challenge

Fill Needs of Own Industries and Export to Ontario and U. S.

More than half Canada's primary power is used in Quebec, where consumption was 19,788 million kilowatt hours last year.

This compared with 15,830 million kw.h. in 1941, 12,347 million in 1940 and 11,671 million in 1939. Quebec's primary power load in 1942 was nearly as great as that of the whole Dominion in 1940.

Besides this Quebec's power wholesalers have supplied a large share of Ontario's requirements, over and above amounts called for under contracts, and have exported a block of power to the aluminum plant at Messina, N.Y. The machine shops of the industry have been utilized in making bits and pieces to the value of hundreds of thousands of dollars.

Operations Are Concentrated

The wholesale power operations in Quebec are in the hands of a few companies. In the Lake St. John-Saguenay area are the associated plants of Saguenay Power Co. and Aluminum Power Co.; in the St. Lawrence and St. Maurice River valleys are the Shawinigan Water & Power Co. and St. Maurice Power Co.; around Montreal are Beauharnois, Montreal Island Power and Cedar Rapids; in the Ottawa Valley area are Maclaren-Quebec Power Co., Ottawa Valley Power and Gatineau Power Co.

They have created a grid system involving at present over three million h.p. and by the end of the year nearly four million h.p. The power systems from Lake St. John to Montreal interconnect, creating what is undoubtedly the largest power pool in the world.

The demands met by the Quebec wholesalers would have been considered impossible before the war. Fortunately when the war started the Quebec industry had a large surplus immediately available to war industries. Then improvements were made to equipment, new units were brought into operation, transmission lines were extended, and other steps were taken.

Last fall demand outstripped the available supply of energy and it was necessary to restrict the use of energy by civilians and non-essential industries. In this way the industry was able to get over the "hump." Meanwhile the operators have under way additions to plant facilities and by the middle of this year it is expected that they will have sufficient capacity to take care of whatever further demands are likely to develop.

Supply Huge Quantity

There is no doubt but that by the end of this year, the total power diverted to war industry by Quebec will be over the two million h.p. mark. All efforts have been directed to making this possible. The operators appreciate that, they have set up a problem for themselves as to what they will do with this power after the war.

Not all of the war power will be a problem since some of it was developed specifically for the aluminum industry and plant can be closed down if necessary without loss. Finding a peacetime market for the balance, running into several hundred thousand horsepower, is a matter which even now is engaging the attention of the industry.

It is realized that it would take many years before the normal growth in domestic, commercial and ordinary industrial demand could absorb such a large block. On the other hand establishment of a few large electro-chemical or electro-metallurgical industries would provides a satisfactory solution. That is the end to which the Quebec wholesalers of power are beginning to direct their attention.

Aluminum Power

Aluminum Power Co. has one power plant complete at Chute á Caron, on the Saguenay River, with an installed capacity of 390,000 h.p. A second, a few miles away at Shipshaw, is in the final stages of completion. By the end of this year the two plants will have an installed capacity of close to 1.5 million h.p., making the company one of the largest power producers in the world. Every kilowatt hour of energy will be used to produce aluminum at the Arvida smelter of the Aluminum Co. of Canada.

When war broke out, Aluminum Power Co. had the one plant at Chute á Caron with an installed capacity of 240,000 h.p. As the needs of the parent company expanded, plans were made to step up production. The first step was to change the runners on the water wheels, increasing the capacity of each unit from 65,000 to 75,000 h.p.

To provide additional water, Aluminum Co. of Canada undertook construction of a storage dam on the Peribonka River. Other works were started and a flow was created permitting the installation of two more units of 75,000 h.p. each, bringing plant capacity to 390,000 h.p.

Decision was reached early in 1941 to go ahead with development of the Shipshaw site, with its potential capacity of 1.2 million h.p.

Major Wartime Job

Between the summer of 1941 and the end of 1942, Aluminum Power Co. carried out a remarkable engineering job. Less than 18 months after work started, the first unit of the Shipshaw plant was brought into operation. The second unit came in a month later. The third started up last month, while an additional unit is scheduled to come into service each month during the balance of the year.

When completed, Shipshaw will generate almost one third more than the four hydro plants on the Canadian side at Niagara Falls, and will increase the national power supply by about 12%.

Outlay of $66 Millions

The cost of the project will be around $66 millions. With earlier developments at Chute á Caron, now incorporated in Shipshaw, cost is near $106 millions.

The project is costing almost double what it would have in peacetime, but speed, not economy, has been the object.

A double labor force was used in rushing the job to completion. Millions of dollars have been spent on overtime. The payroll ran as high as $2 millions monthly. Equipment used included 44 power shovels and cranes, 525 trucks and 67 tractors. Average cement consumption was 31 car-loads daily, to mix 7,800 cubic yards of cement.

The Shipshaw plant will relieve the pressure on the Quebec power system and assure that production of aluminum does not lag because of a power shortage.

Saguenay Power

Associated with Aluminum Power Co., and also operating in the Saguenay area, is Saguenay Power Co. Most of the power from its 300,000 h.p. plant at Isle Maligne is diverted for use in the Arvida aluminum smelter.

In peacetime the Saguenay Power Co. supplied the Aluminum Co. of Canada and Shawinigan with 100,000 h.p. each. Smaller blocks of energy were sold to Price Bros., Consolidated Paper, Lake St. John Power and Paper and Saguenay Electric. Shortly after the outbreak of war, the company recalled 100,000 h.p. from Shawinigan, while deliveries to other customers were cut down so that a larger quantity of energy would be available for Arvida.

Due to favorable water conditions, power output of Saguenay Power Co. increased in 1942. Final figures for the year are not available, but the improvement is reflected in the financial statement. Gross revenue last year was $5.4 millions, an increase of nearly $700,000 over the previous period. The betterment in gross income carried through to net profits earnings on the common stock totalling $5.46 a share, as against $4.74 in 1941.

The position of Saguenay Power continues favorable. For the duration a ready market exists for all the energy the company can produce with the Aluminum Co. of Canada. After the war, it will be able to re-establish its long-term contracts with peacetime customers so that it will not have to contend with the finding of a market for large blocks of power developed to meet a wartime emergency.

Shawinigan

In the central section of the St. Lawrence Valley is Shawinigan Water & Power Co.—one of the great power systems of the world. Last year it produced over 4.4 billion kw.h. of electrical energy and purchased another 2.8 billion kw.h. for a total of 7.3 billion kw.h. Practically all of this was firm power, a large share of which was employed directly in the production of war materials and supplies.

War conditions continue to have a strong influence upon the company's operations. Power, demands resulting from the war boosted the firm power peak load on the system last year to the all-time record figure of 1,313,458 h.p. This figure is even more impressive when compared to the 1939 peak load of 725,871 h.p.

To make this power available, the company has spent large sums of money on construction of plant and transmission lines. After the war started, it brought into operation, jointly with Brown Corp., a plant at La Tuque with a capacity of 178,000 h.p. It built new power lines to connect with Quebec City, new high-tension lines between Three Rivers and Berthier, and Sorel and Hemming Falls, together with the St. Lawrence River crossing at Three Rivers and Sorel.

Comparing the disposal of energy in 1942 with that reported in 1937, it is noted that sales to the pulp and paper industry have declined from 58% of all sales to 26.4%. Sales to the electro-chemical and metallurgical industries, over the same period, increased from 15.15% to 49%. Retail distribution and sales to the asbestos and textile industries, as well as to other utility companies, showed a proportionate decline over the five years.

The record of power distribution between 1937 and 1942 is set out in the table below:

Disposal of Energy
(Millions of Kilowatt Hours)

	1942	1937
Retail	191.8	125.1
Pulp and paper	1,929.3	3,311.8
Electro-Chemical	3,583.2	865.8
Asbestos	147.8	117.6
Textiles	37.6	163.2
Utility cos.	852.1	893.3
Miscellaneous	572.5	432.9
Total	7,314.3	5,709.8

Has Varied Interests

Basically Shawinigan is a wholesaler of power. At the same time it is a big retail distributor of energy. It is also important in the Canadian chemical industry.

Owing to restrictions on materials, no important additions have been made to the company's retail distributions system over the last year.

This system now covers a large area of the central portion of Quebec, north and south of the St. Lawrence River. Along the north shore and below Three Rivers, it joins up with that of the Quebec Power Co. Above Three Rivers, still on the north shore, it is now within a short distance of Montreal. In addition, progress has been made in developing retail distribution on the south shore, and the system now extends almost to the U.S. border.

Retail Growth Steady

In 1933, the retail distribution system absorbed 87.4 million kw.h. of the energy. Last year it accounted for 191.8 million kw.h.

This reflects in part the plan of rural distribution. Large sums have been spent in opening up new areas and providing energy at low rates. This work, of course, has had to be abandoned because of wartime conditions. However, in view of the Provincial government's plan of underwriting the capital expenditure in connection with rural distribution, it is likely to be of greater importance in the postwar period.

Among its other direct interests is the Shawinigan Chemicals Ltd., wholly owned subsidiary, engaged in producing a wide variety of chemical products, notably carbide and its derivatives, which include acetic acid, acetone, and other products which can be used for plastics.

Chemical Unit Important

Operations of Shawinigan Chemicals have expanded since the outbreak of the war. Additions and extensions have continued almost without interruption and the present development programme should be completed some time this spring.

The parent company reports that after provision for taxes, depreciation and reserves, Shawinigan Chemicals carried forward into 1942 an amount of $270,868 to surplus account, which now stands at $1,112,288.

Investments Important

Shawinigan controls Quebec Power Co., one of the larger retail distributors in the province, whose operations are reviewed elsewhere, and has a half interest in St. Maurice Power Corp., which owns and operates an important plant at La Tuque on the St. Maurice River.

With Montreal Power it controls United Securities, which in turn controls Montreal Tramways Co. and Canadian Light & Power.

Record Gross Income

The record-breaking activities of the company have resulted in expansion of gross earnings to the highest level in its history. Gross income in 1942 totalled nearly $24.2 millions, while the liquid position was built up to a point where it is possible for the company to set aside over $2 millions, in addition to the annual basic sinking fund payments, for the retirement of bonds.

St. Maurice Power

St. Maurice Power Corp., jointly owned by Shawinigan Water & Power Co. and Brown Corp., continues to report capacity operations. During 1942 every kilowatt hour of energy produced in the big 178,000 h.p. plant at LaTuque was sold.

Part of the output was taken by Brown Corp. in connection with its sulphate operations at La-Tuque, but by far the greater proportion was taken up by Shawinigan and distributed through its own system to various war industries.

St. Maurice Power, since operations commenced in the fall of 1940, has sold every kilowatt hour of its output. The demand has been such that it is now in process of installing an additional unit, which is to come into operation this summer.

As a result of the very favorable operating conditions, the earlier estimate of earnings had to be revised upward. The financial statement for 1941, the last available, shows that all interest charges were earned 1.48 times before depreciation, and 1.02 times after depreciation. It had not been anticipated the company would reach this position until 1942 or 1943. The 1942 statement is expected to show bond interest charges covered by an even wider margin than in 1941.

Canadian Light

Canadian Light & Power Co. is one of the smallest of the wholesale power producers in the Montreal area. It is a subsidiary of United Securities, which in turn is jointly controlled by Shawinigan and Montreal Power.

The war has had little effect

(Continued on page 23)

Public Utility Investments

We have for forty years been identified with the financing of light, power and telephone companies.

Our current offerings include a number of public utility issues—in addition to Government, Municipal and Industrial securities.

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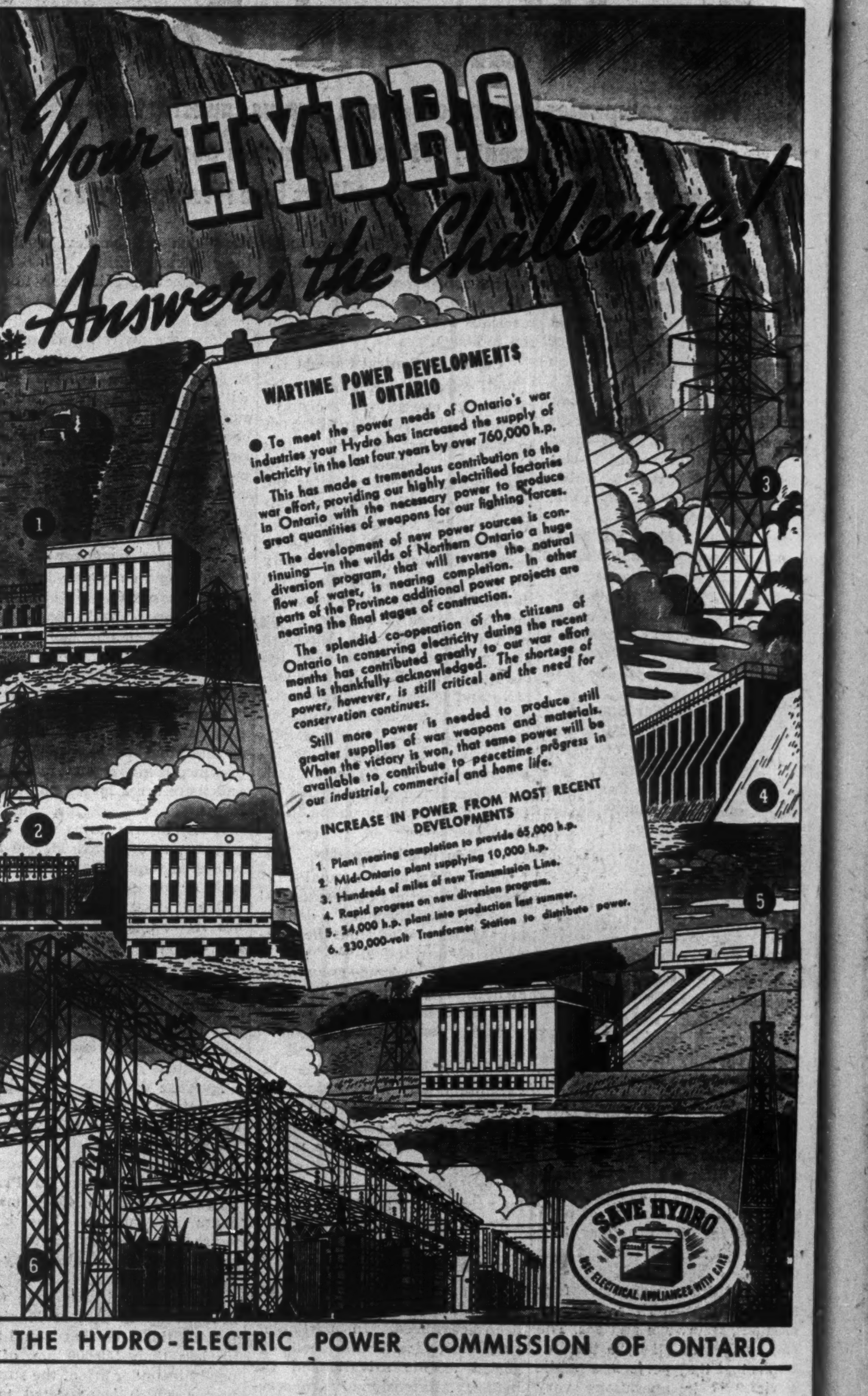

WARTIME POWER DEVELOPMENTS IN ONTARIO

● To meet the power needs of Ontario's war industries your Hydro has increased the supply of electricity in the last four years by over 760,000 h.p.

This has made a tremendous contribution to the war effort, providing our highly electrified factories in Ontario with the necessary power to produce great quantities of weapons for our fighting forces.

The development of new power sources is continuing—in the wilds of Northern Ontario a huge diversion program, that will reverse the natural flow of water, is nearing completion. In other parts of the Province additional power projects are nearing the final stages of construction.

The splendid co-operation of the citizens of Ontario in conserving electricity during the recent months has contributed greatly to our war effort and is thankfully acknowledged. The shortage of power, however, is still critical and the need for conservation continues.

Still more power is needed to produce still greater supplies of war weapons and materials. When the victory is won, that same power will be available to contribute to peacetime progress in our industrial, commercial and home life.

INCREASE IN POWER FROM MOST RECENT DEVELOPMENTS

1. Plant nearing completion to provide 65,000 h.p.
2. Mid-Ontario plant supplying 10,000 h.p.
3. Hundreds of miles of new Transmission Line.
4. Rapid progress on new diversion program.
5. 54,000 h.p. plant into production last summer.
6. 230,000-volt Transformer Station to distribute power.

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

RELIABLE and satisfactory service is available in the districts served by this Company.

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SPACE—

During "Rush Hours", narrow streets are squeezing to stagnation the enormous increase of war-time traffic. Present thoroughfares cannot be widened, there is no time. Yet, the demand for traffic space is greater than ever in the history of the country.

If the movement of people who must be transported, including thousands upon thousands of war workers is not all funnelled into short "Rush Hour" times, but spread over longer periods — by "Staggering" opening and closing hours — the "Rush Hour" peak flattens out and present street space can be used more efficiently. Trucks conveying war materials and trams and buses carrying passengers can under the system of "Staggered Hours" proceed in a steadier flow at faster pace, as they will not be subject to present street congestion with resulting stoppage and delay.

Street space will then be used to advantage, and Canada's war effort will jump ahead several notches into higher speed.

"ALL OUT" TRANSPORTATION SERVICE
Can be Maintained Only by the Adoption of
"STAGGERED HOURS"

MONTREAL TRAMWAYS COMPANY

Western Power Demands Increase

Central Stations Report Steady Growth in Primary Load

—National Film Board photo.

Second only in importance to the wires that bear the messages are the armoring wires that enclose them. These two workers are reeling up the wire shown in the background and welding the ends of two coils together to make up a full reel.

Power utilities of Manitoba, Saskatchewan and Alberta have had a relatively heavy increase in operations.

Central stations report that for Jan., 1943, the prairies' primary power load was up nearly 11% over the same month last year. For all of last year the primary power load totalled 2,186 million kilowatt hours. This compares with 1,981 million and 1,824 million kw.h. in 1941 and 1940, respectively.

Growth of operations on the prairies can be misleading if judged by the returns of hydro power output. Though all three provinces have hydro resources, and in the case of Manitoba, especially important ones, a large share of the power requirements of the area are supplied by Diesel and other fuel-burning equipment. About half of Saskatchewan's power is from fuel plants. Alberta gets about a third of its supply from this source.

The reason power utility operations on the prairies have not advanced as much as elsewhere is explained by the fact that this section is less industrialized. Moreover, there has been an important movement of people to more industrialized areas, or into the armed forces. Consequently the rate of growth over the last three years has been more impressive than might appear from the returns.

The proportion of the power load which can be directly attributed to wartime activities is so small that the changeover from wartime to peacetime operations should be accomplished with a minimum of difficulty. This is hardly likely to be the case with the eastern utilities, which face the formidable task of finding a market for the huge blocks of power which they have available for the industrial war effort. In that respect the long term prospects for prairie power companies appear promising.

Winnipeg Electric

Improvement in operations is reported by Winnipeg Electric Co., which provides Winnipeg with light, power, gas and tramway services.

No interim figures are available as to earnings last year, but indications point to a moderate betterment over 1941, when net income after all charges, but before providing for interest on the Series "B" income bonds, amounted to $402,727. For the first 10 months of 1942, power output was approximately 815 million kw.h., as compared with 938 million kw.h. for all of 1941. In addition, the company reports a substantial increase in traffic on its street cars and buses, while gas operations have been on a larger scale.

During recent weeks, there has been marked stock market interest in the company's securities. The preferred stock, for example, sold up to the highest level since the company was reorganized in 1935. This is unusual in view of the fact it cannot pay any dividends on the preferred stock as long as the $1,560,738 of contingent certificates are outstanding.

Market interest is attributed to the possibility of a deal whereby the power properties may be taken over by the Provincial Government. The latter has displayed interest in rural electrification plans, and a special committee recently reported that savings would result in consolidation of power producers, but "it was not empowered to conduct negotiations in an effort to bring the said utilities together in order to work out a plan of reorganization and is of the opinion that in any event the present time is not opportune for the conclusion of such negotiations."

Position of Certificates

Another report current is that steps may be taken by the company to pay off the outstanding contingent certificates. This obligation was incurred at the time of the 1935 reorganization when the certificates were issued to holders of the general mortgage Series "A" bonds.

At the end of 1941, Winnipeg Electric had a working capital of nearly $1.9 million. In addition, it had $2 millions of sundry investments, including government bonds. Consequently it is in a position to pay off this obligation if it so desires.

On the other hand, it would be ill-advised to do this if there was any possibility of the sale of its property. Under the terms of the reorganization, it has no obligations in respect to these certificates in the event of a winding-up or dissolution.

Calgary Power

Calgary Power Co. ranks as the most important power utility operator in Alberta. Its operations are spread all over the province and through a subsidiary, Prairie Power Co., to a number of communities in Saskatchewan. It also has a substantial financial stake in Ottawa Valley Power Co., which owns and operates an important power plant on the Ottawa River, designed to supply energy to Ontario Hydro.

Conditions throughout the territory served by the company have shown an improvement. Several large industries within the Calgary area are fully employed on war contracts. Power sales have increased, while the additional employment provided has had a favorable effect on the domestic power load.

The company also is directly interested in war work through the construction of a 23,000 h.p. plant at Lake Minnewanka, the energy from which is used in the new chemical plant established by the Dominion Government near Calgary. Cost of this project, including additions to transmission facilities and other improvements, totalled approximately $3 millions.

In so far as its own operations are concerned, Calgary Power has reported a steady expansion from year to year. Its hydro-electric plants on the Bow and Ghost Rivers have been expanded to meet additional demands, and earnings have kept pace.

The only major setback the company has experienced occurred a few years ago when Ontario Hydro cancelled its power contract with Ottawa Valley. In order to cover its investment in Ottawa Valley Power, Calgary Power issued additional stock. When Ottawa Valley was forced to forego dividends, Calgary Power had to eliminate the dividends on its own common stock.

While the position of Ottawa Valley Power has improved, it has not resumed dividends on its common stock, and neither has Calgary Power.

Churchill River

Churchill River Power Co. is wholly owned by Hudson Bay Mining & Smelting Co., and was incorporated in 1928 with a Dominion charter to develop power on Churchill River. Its subsidiary, also wholly owned, is the Northern Manitoba Power Co. Ltd., which sells power in the town of Flin Flon.

Generating power of Churchill River Power is roughly 90,000 h.p. Electricity is supplied to other mining operations in the district, as well as to those of the parent company.

The plant is at Island Falls, Saskatchewan, on the Churchill River, some 58 miles northwest of Flin Flon.

Int. Utilities

International Utilities Corp. is a U. S. holding company with substantial interests in Canada, from which it derives its major income. Canadian interests are operated through Dominion Gas & Electric Co. in western Canada.

Last October the company filed a voluntary plan of recapitalization with the U. S. Securities and Exchange Commission, under which it would merge with Dominion Gas & Electric, capital structure be revised and voting powers more equitably distributed. The system would also relinquish control of Rockland Gas Co.

Four classes of stock are now authorized; 600,000 shares of prior preferred, one million shares of preferred and 154,708 shares of class A stock, all without par value, and 2,500,000 shares of class B of $1 par. At June 30, 1942, outstanding were 98,967 shares of $3.50 prior preferred, 66,652 shares of $1.75 preferred, 88,126 shares of class A and 1,252,266 shares of class B.

It is proposed to reduce the authorized number of $3.50 prior preferred to 100,000 and to change the shares from no par value to $50 par. The issue of 400,000 shares of $1 par value common would be authorized. Each share of present $1.75 preferred, including all accumulated arrears except $2 a share, would be converted into 2.6 shares of common.

Each share of class A stock now outstanding with dividend accumulations would be converted into one share of common and each class B share now outstanding into 1/100th of a common share.

The changes would leave the company with 98,967 shares of $3.50 par preferred and 273,947 shares of common stock outstanding.

Reduction of the $3.9 millions of 6½% collateral trust bonds of Dominion Gas & Electric, due July 1, 1945, to $2 millions by retiring $842,000 face amount held by the corporation and by use of cash and liquid resources is also proposed. To complete retirement or acquisition of the remaining bonds $2 millions would be borrowed.

General Water Gas & Electric Co., the other important International subsidiary operating in the United States, redeemed its $2.8 millions of first lien bonds Aug. 1, 1942, chiefly by means of five-year bank borrowings totalling $2.1 millions.

Northwest Utilities

Northwestern Utilities, Ltd., supplies natural gas to Edmonton and adjacent communities, and is a subsidiary of Dominion Gas & Electric Co.

The company has shown a steady increase in gas sales and net revenue since 1934, and the upward trend is expected to continue.

Last July $650,000 of Northwestern Utilities Ltd. 4½% first mortgage sinking fund bonds, second series A, were offered at 98 and accrued interest, to yield 4.67% to maturity. Public participation was limited to $500,000 of the bonds. During recent years the company had spent $1,150,000 on capital account, and proceeds of the new financing were to restore working capital.

The company has access to 6,428 acres in the Viking field, some 77 miles east of Edmonton. At most recent estimates reserves were more than 100 billion cubic feet of gas. In addition the company holds petroleum and natural gas rights in fee simple to 15,365.54 acres, and under lease from the Crown, 7,192.7 acres in the proved Kinsella field. It is estimated that the two fields are capable for 50 years of producing annually three times as much as is now used by the company.

National Light

National Light & Power Co. owns and operates the electric light and power system of Moose Jaw, Sask., and sells electricity at wholesale to the Saskatchewan Power Commission and Prairie Power Co. for distribution in rural territory. The franchise is exclu-

(Continued on page 21)

DIFFERENTIAL SURGE TANKS

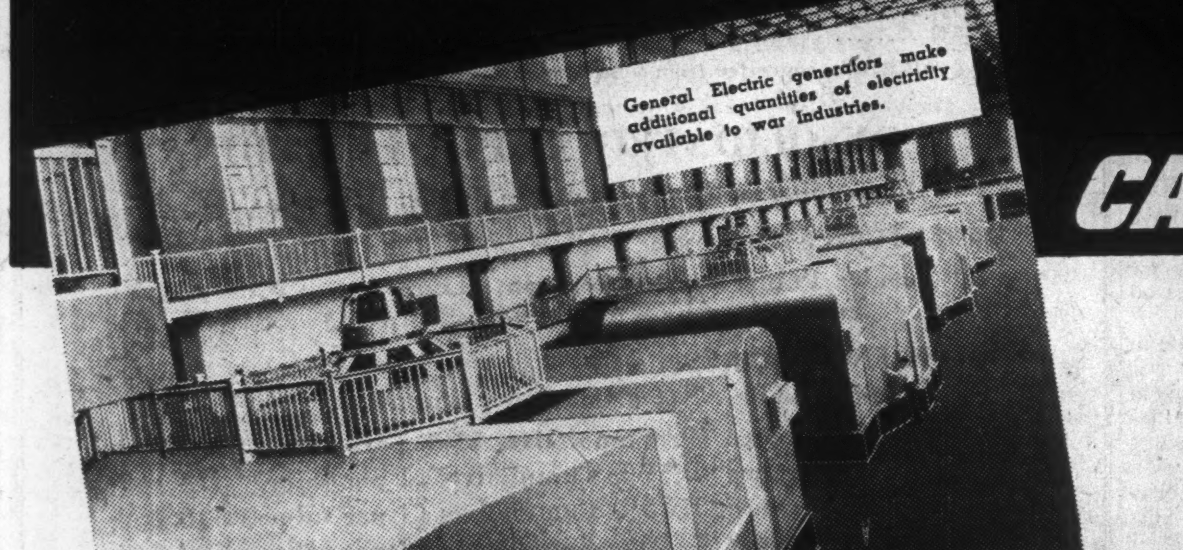
Increase Power Output

Power is moving Canadian production into new highs. Never before, in peace or in war, have our industries turned out so many goods, and never before has power been such an important factor in the production of those goods — whether airplanes, munitions, machinery, foodstuffs, ships or supplies.

The 300,000-gal. Johnson differential surge tank shown at the left is part of a new hydro-electric power development in western Canada. It provides efficient regulation for the plant without wasting water or reducing the effective head, and thus enables the project to generate its maximum power output.

In addition to surge tanks, we build steel storage tanks, spherical and cylindrical pressure vessels and steel plate work of all kinds.

HORTON STEEL WORKS LIMITED
TORONTO, ONT. FORT ERIE, ONT. MONTREAL, QUE.
Representatives:
Mumford Medland, Ltd., Winnipeg — Gordon N. Russell, Vancouver



General Electric generators make additional quantities of electricity available to war industries.

GENERAL ELECTRIC Equipment is Harnessing Power for CANADA'S WAR INDUSTRIES!

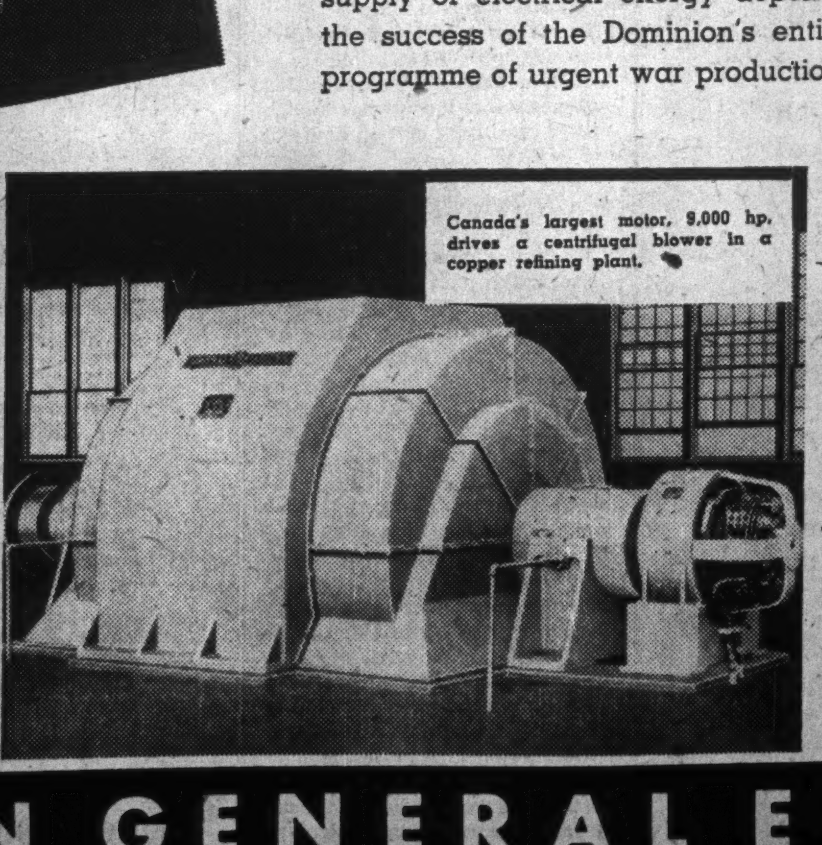
Vital for victory . . . vital to the operation of war plants . . . are Canada's vast resources of electrical power. For Canadian war industry is electrified. Upon the abundant, uninterrupted supply of electrical energy depends the success of the Dominion's entire programme of urgent war production.

To harness Canada's electrical power . . . to develop it, transmit it, utilize it . . . Canadian General Electric is applying its engineering and manufacturing facilities and long experience . . . perfecting and producing a wide variety of urgently-needed equipment to speed Canada's war effort.

C.G.E.-1143

One of the oil-filled bushings for the General Electric transformers shown at left. These bushings are 14 feet 10 inches in height.

General Electric switchboards control electric circuits in generating stations and industrial plants.



Canada's largest motor, 9,000 hp. drives a centrifugal blower in a copper refining plant.

Canada's heaviest single-phase transformers, 225 tons each. These 25,000 kva 25 cy. 204,000Y-118,000Y-13,200 volt G-E transformers serve new industries in Southern Ontario.

CANADIAN GENERAL ELECTRIC CO. LIMITED

Sydney • Halifax • St. John • Quebec • Sherbrooke • Montreal • Ottawa • Toronto • New Liskeard • Hamilton • Sudbury • London • Windsor • Fort William • Winnipeg • Regina • Saskatoon • Lethbridge • Edmonton • Calgary • Trail • Kelowna • Vancouver • Victoria

East Coast Services

Maritime Utilities Meet War Needs

Operators Cope with Extraordinary Demands for Service

Power operators in other sections of the country have diverted more energy to war industries or have provided electric services to a larger number of new customers, but maritime utilities have done a job in meeting the extraordinary conditions that cannot be surpassed.

Practically the full force of Canada's war effort flows through the maritime provinces. There is situated the well-known "eastern Canadian seaport." It may be one of any half dozen harbors on the Atlantic coast; it makes little difference which.

In addition there are the huge military camps, flying fields at various centres, the movement of convoys, the despatch of troops overseas, the patrolling of the eastern coast.

Thousands of members of the armed forces have been stationed in the east. They have brought with them, in many instances, their families. Other thousands have had to be brought into the area to provide them with services necessary for their every day well-being.

On top of the effort put forward by the armed forces, there are the war industries. Employment has increased. Payrolls have been expanded to record proportions. Demands for services have strained the limited resources of the area.

Have Met Responsibility

The light and power utilities of the maritimes have met the challenge successfully.

Every available piece of equipment has been brought into service in Nova Scotia. Much the same conditions exist in Prince Edward Island and New Brunswick. Somehow or other the operators have been able to keep pace with the demands. In some sections, notably Halifax and vicinity, it is questionable if any further large increase in service demand can be met. On the other hand it is possible that requirements have about reached a peak. In that case, the utility companies will manage to squeeze through.

The extent of light and power operations in the maritimes may be gathered from an examination of the firm power consumption. In 1940, the three provinces consumed 885 million kilowatt hours of electrical energy. The following year demand jumped to 989 million and last year to 992 million kw.h. Over the three-year period consumption in Prince Edward Island advanced from 6.8 million to 9.6 million kw.h.; in Nova Scotia, from 426 million to 502 million kw.h.; and in New Brunswick, from 452 million to 481 million kw.h.

Nova Scotia Light

Nova Scotia Light & Power Co. is the largest public utility in the Maritimes, with operations centred in Halifax. Through subsidiaries, notably Avon River Power, it provides an electrical service in the Annapolis Valley, along the east shore of Nova Scotia, and in several other sections of the province.

Wartime conditions have made extraordinarily heavy demands upon all divisions of the company. The volume of business currently handled far exceeds anything ever before reported. For some time, all productive facilities have been employed at capacity.

Figures are not available on operations last year. However, it is expected that kilowatt hour sales in the light and power department were from 15% to 20% greater than in 1941, which in turn were 45% over those reported in 1939.

In order to take care of the load and provide for further expansion, the company brought into operation in 1942 a new 4,500 h.p. hydro-electric station on Black River. In addition, steps were taken to erect a 10,000-kw. high-pressure steam plant in Halifax. The latter unit is expected to come into operation shortly.

At other points in the system, where hydro electricity is not available, arrangements have been made to increase Diesel capacity.

Other Divisions Active

Conditions in the gas department closely parallel those in the light and power division The large influx of people into Halifax, Dartmouth and other centres has brought demand for gas services up to plant capacity. Arrangements have been made to take care of further expansion through increasing capacity of the gas plant by at least a third. The new gas unit is expected to come into operation shortly.

In the other main branch of the company's operations—tramways—the situation is described as good. Traffic in Halifax has increased in volume to a point far beyond anything that had ever been anticipated. This division has now become very profitable, whereas in prewar years it was seldom a money-maker.

Last August, tramways traffic showed an increase of 47% over the same month last year. Every piece of equipment is in use during the rush hours. With no more trams available, difficulties are foreseen in handling any further expansion. The situation has been further complicated by a sharp curtailment in the number of taxis operating, owing to lack of tires and gasoline restrictions.

It is not expected that the financial statement for 1942 will show any marked increase in net returns. After payment of taxes, expectations are that net profits will be on much the same basis as in 1941, despite higher gross revenue.

One problem facing the company has to do with an adjustment of rates to bring earnings within the statutory limit of 8% as fixed by the Nova Scotia Board of Public Utilities. Earnings have been running beyond the figure allowed and a hearing is now being held by the board.

Eastern Light

Electrical utility services in the Cape Breton area of Nova Scotia are supplied by the Eastern Light & Power Co. The principal operations centre in Sydney, where wartime operations of the Dominion Steel & Coal Co.'s plants have created a marked increase in employment and spending power.

The improvement has not been wholly reflected in earnings because of increased power costs. Energy is purchased under contract from Seaboard Power Co., while Eastern Light itself owns a steam standby plant at Sydney.

It is anticipated that gross income for 1942 exceeded the record figure of $544,290 in 1941.

Between 1932 and 1941, kilowatt hours generated and purchased by Eastern Light increased 119.6%; maximum peak demand advanced 94.9%; number of customers gained 50.4%.

In addition to its own operations, Eastern Light, through Dominion Utilities Co., distributes electricity and water in New Waterford and the adjacent district of Scotchtown, and electricity only in six other districts.

Eastern Utilities

Eastern Utilities Ltd., the only public utility holding company in the maritimes, was organized in 1939 to acquire various properties which had been controlled in the United States.

These operating units supply electrical energy directly in Moncton, Amherst, Sackville and the districts in the Cumberland coal basin; to the Dominion Coal Co. at Springhill, and to other public utility systems for retail distribution. They supply natural gas to Moncton and Hillsboro, and transportation in the Cumberland field.

All the subsidiaries report business and earnings on an appreciably better scale. Consolidated returns for 1942 are expected to be ahead of those for 1941, when gross earnings amounted to nearly $1.9 millions.

Canada Electric

One of the principal subsidiaries of Eastern Utilities is Canada Electric Co., which operates an important steam power plant near Amherst. This section of the Maritimes has enjoyed improving conditions arising out of the establishment of war industries, with the result that demand for electricity and power has been on a record scale.

Sales have about reached the peak of capacity. However, there are no immediate plans for adding to capacity and this would not be easy because of difficulty in securing new equipment.

In addition to its own generating and retail business, Canada Electric Co. supplies power in bulk to the Dominion Coal Co. for use in its Springhill Mines; to "C.B.A. Maritimes" at Sackville and to several mining companies in the Cumberland area.

N. B. Power

New Brunswick Power Co., which serves Saint John with light and power, is the principal utility in New Brunswick.

All facilities are being used to capacity. Any increase in gross income in 1943 is likely to be of moderate proportions. On the other hand, expenses should be higher. Coal costs are rising, while labor costs also are greater.

Last year the company entered into an arrangement with United Service Corp., whereby the latter purchased the tramways system in Saint John. This division had been a steady drain on earnings for many years and its sale is regarded as a strengthening factor, especially considering the fact the N. B. Power Co. retains the tramways power load.

Competitive conditions as between the company and the municipally-owned hydro electric system are on a better basis. In years past, competition went to extreme lengths, with the result that new business was costly.

Reflecting the improvement in operations and earnings, New Brunswick Power Co. was able to earn sufficient profits in 1941 and 1942 to pay full interest on notes held by the parent company, Federal Light & Traction Co. Previously it had never been able to do this, owing to losses incurred in the operation of the tramways and to the excessive costs incurred in competing with the municipally-owned system.

Maritime Electric

Maritime Electric Co., which owns and operates electric lighting and power services in New Brunswick and Prince Edward Island, reports steady improvement.

Services are provided in Charlottetown, Montague, and a dozen other communities on Prince Edward Island, with energy being derived from a steam plant with some auxiliary power from a small hydro-electric development.

In New Brunswick, operations are confined to Fredericton, St. Stephen, Milltown, St. Andrews, Devon and six other communities. Power for this service is purchased from the New Brunswick Power Commission and Canadian Cottons Ltd.

Total population served is approximately 45,000, and the number of light and power customers connected, 10,200. Energy sold during 1941 exceeded 15.4 million kw.h.

Gross earnings of the company have expanded from $521,000 in 1939, to $612,000 in 1941, while net profits over the same period have increased from $36,230 to $44,390.

Gatineau Power

Gatineau Power Co. is the principal wholesale producer of power in New Brunswick. Its plant at Grand Falls was designed originally to supply the needs of New Brunswick International Paper Co. and Fraser Cos. Over and above these requirements, there is a small surplus which has been used to meet the needs of the town of Dalhousie and other small purchasers.

Operations have been affected only indirectly by war conditions and earnings, which are consolidated with those of the parent company, are understood to be satisfactory.

Moncton Gas

Moncton Electricity & Gas Co., serving the Moncton area in New Brunswick, is another subsidiary of Eastern Utilities.

Operations of the company have recorded a sharp expansion since the war began. Moncton is a railway centre on the main line of the C. N. R. from Montreal to Halifax, an industrial town of some importance.

Eastern Electric

In addition to the Moncton enterprise, Eastern Utilities controls Eastern Electric & Development Co., which operates a small steam power plant at Sackville, and distributes energy in Sackville, Middle Sackville and Upper Sackville. This company secures part of its power supply from the Canada Electric Co.

Operations of this unit are understood to be on a satisfactory basis and earnings currently are reported above average.

Seaboard Power

Operating in the same area is the Seaboard Power Co., wholly-owned subsidiary of Dominion Steel & Coal Corp. This company has located at pithead one of the largest and most modern steam power plants in the Dominion.

Over 60% of the total production of the Seaboard plant is sold to Dominion Coal Co., an associated enterprise. The balance is distributed to the Eastern Light & Power and Dominion Utilities.

The plant has been operated at capacity since war started and at various times it has been necessary to add to facilities in order to take care of demand.

All of the Seaboard Power stock is owned by Dosco.

Power Savings Put Industry Over "Hump"

Conservation of 400,000 h.p. Ensures War Plants Ample Supply of Energy

Power conservation plans have enabled Canada to "pick-up" 400,000 h.p. of electrical energy for use in furthering the industrial war effort.

The first step was taken late in 1940, when daylight saving was made applicable the year-round in Ontario and Quebec communities which had had daylight saving that summer.

At the same time, all use of electric power for steam raising purposes was banned.

In various localities control devices were ordered installed or extended on domestic water heating systems so that the power could be turned off during certain hours of the day.

Some non-war industries were then forced to reduce takings during peak hours.

Up to the summer of 1942 power conservation plans had been on a limited scale. They were effective, but the amount of power diverted to war industries, with the exception of that taken from electric steam boilers, was not overly important.

Eight or 10 months ago, the power situation became threatening. The Power Controller knew that the growing demands of the aluminum and other war industries were expanding at a rate far faster than new supplies of energy were being made available.

Domestic users over the greater part of Ontario and Quebec were asked to cut their consumption of electricity by 20%. It was expected this would save 140,000 h.p.

Commercial use was sharply curtailed, through a ban on the use of all electric signs, highway lighting, advertising signs, shop window lighting, restricted use of street lighting, etc.

A. E. AMES & CO.
LIMITED
Business Established 1889

Purchasers and Distributors of
Government, Municipal & Corporation
Securities

TORONTO
Montreal Winnipeg Vancouver Victoria
New York London, Eng.

EASTERN UTILITIES LIMITED

CANADA ELECTRIC COMPANY, LIMITED
Amherst, Nova Scotia

supplies electric power and light to well-established industrial territories in Northwestern Nova Scotia and Eastern New Brunswick. Pioneer in Canada in the generation of electricity by fuel at the pit mouth, this Company offers low cost power to industry, association with cheap transportation, good living conditions and ample supply of intelligent labour. General retail distribution covers Amherst and the surrounding districts, including Maccan, River Hebert and Joggins; it supplies power to the Dominion Coal Company, and some other users at Springhill, "to CBA Maritimes" at Sackville and to several mining companies in the Cumberland Coal Basin.

MONCTON ELECTRICITY AND GAS COMPANY, LIMITED
Moncton, New Brunswick

supplies electric service to Moncton and the suburban territory, and natural gas in Moncton and Hillsboro. Serving a vital industrial and transport centre of the Maritime Provinces, the operations of this Company have expanded steadily, sales of electrical energy increasing by over 50% since 1935.

THE EASTERN ELECTRIC AND DEVELOPMENT COMPANY, LIMITED
Sackville, New Brunswick

operates the electric transmission and distribution system in the Sackville area in New Brunswick. Its sales have more than doubled in the last five years.

JOGGINS COAL COMPANY, LIMITED
Amherst, Nova Scotia

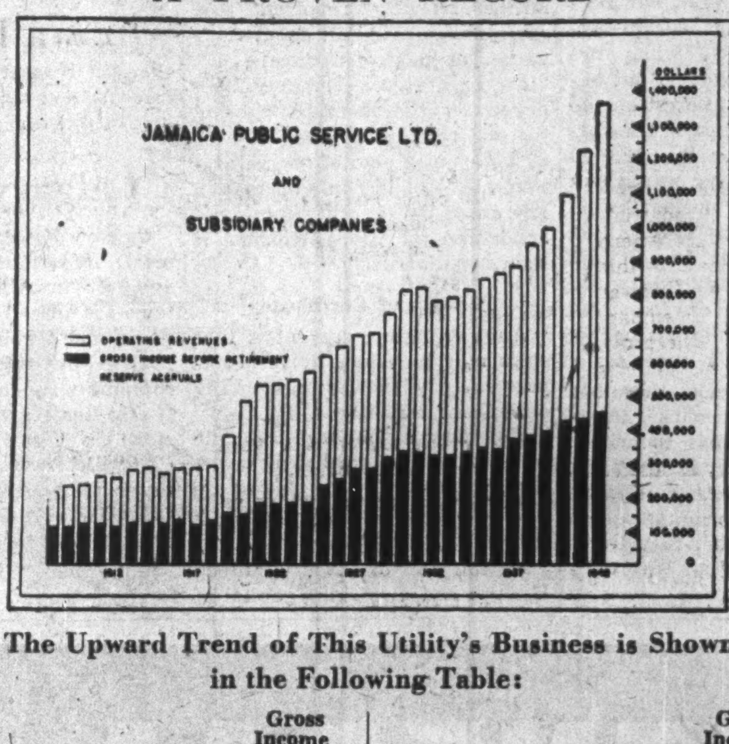
operates the Joggins Coal Mine in the extensive Cumberland Bituminous Coal Field. The Mine was opened in 1939 and the output of coal has increased steadily until it is currently over 400 tons per day.

MARITIME COAL, RAILWAY AND POWER COMPANY, LIMITED
Amherst, Nova Scotia

an associated company, operates a Railway between Joggins and Maccan, serving the coal companies in that area, and connecting with the main line of the Canadian National Railway System at Maccan.

These Subsidiary and Associated Companies of Eastern Utilities Limited
Operate Essential Public Utility Services in Sound
Maritime Communities

GROWTH AND STABILITY
A PROVEN RECORD



The Upward Trend of This Utility's Business is Shown in the Following Table:

Year	Operating Revenues	Gross Income Before Retirement Reserve Accruals	Year	Operating Revenues	Gross Income Before Retirement Reserve Accruals
1912	$261,080	$116,956	1938	$953,489	$385,850
1917	287,210	120,112	1939	998,733	398,660
1922	541,032	181,431	1940	1,096,831	414,524
1927	685,663	284,993	1941	1,224,083	431,679
1932	784,774	325,668	1942	1,360,452	453,133

All figures converted from £ Sterling at the rate of $4.86-2/3 to the £1

CONSOLIDATED CAPITALIZATION
Outstanding in the Hands of the Public, Dec. 31, 1942

DEBENTURE STOCK:
Jamaica Public Service Company, Limited
Series "C" 4½'s, due 1965 (£377,544) $1,837,381

PREFERENCE SHARES:
Jamaica Public Service Company, Limited
Preference 7% Cumulative, $100 par value....$402,300
Preference "B" 7% Cumulative, £1 par value.. 314,167
Preference "C" 5% Cumulative, £1 par value.. 323,000
Preference "D" 5% Cumulative, £1 par value.. 535,333

CAPITAL STOCK:
Jamaica Public Service Limited
No Par Value .... 135,000 shares

Jamaica Public Service Limited, a Canadian company, owns all of the ordinary and certain of the Preference shares of Jamaica Public Service Company, Limited.

Jamaica Public Service Company, Limited, does the entire electric lighting and power business in Kingston and adjacent territory, and also operates the electric tramway system. Through a wholly owned subsidiary, this company provides all the electric lighting and power and ice business in Montego Bay and Port Antonio, which communities rank next in size and importance to Kingston, the principal city on the Island. Combined population served by both operating companies is estimated at 150,000. Operating revenues for 1942 were derived 71% from electric, 26% from transportation and 3% from ice business.

Dividends on all classes of Jamaica Public Service Company, Limited Preference Shares have been paid regularly since their issuance. Quarterly dividends on the Capital Stock of the Canadian Company were inaugurated on October 1, 1930, at an annual rate equivalent to 33 1/3 cents per share on the presently outstanding stock, which rate has gradually been increased to the present annual rate of 68c per share.

Jamaica Public Service Limited
and Subsidiary Companies

Serving
MONTEGO BAY . KINGSTON . PORT ANTONIO
JAMAICA, B.W.I.

Power for War

Ontario Overcomes Shortage

Conservation Offsets Huge Growth in Requirements

Ontario's war industries took a steadily increasing load of electric power last year until primary peak demand reached an all-time record for the major suppliers.

Conservation measures in the southern part of the province, biggest power consuming area, curtailed demand by an estimated 248,000 h.p. in December last. This was enough to enable Hydro-Electric Power Commission of Ontario, supplying the territory affected, to meet requirements of its customers with only minor interruptions.

For the 1943 peak, a further growth in demand of 60,000 to 120,000 h.p. is expected from this same territory. New supplies coming in will offset most of this, leaving a possible minor shortage of 15,000 to 20,000 h.p.

In the industrial areas of Ontario, power demand from non-essential industry is shrinking due to difficulty in securing men and materials.

Major supplier of electric power in Ontario is Ontario Hydro. Leading private companies, however, are active at Sault Ste Marie, Ottawa and in the mining districts of northern Ontario. The two former centres are feeling heavy demands from war industry. No shortage has yet developed at Sault Ste. Marie which is still outside the "power shortage area." In the mining districts, last year saw reduced activity in the gold mines result in lower power demand although base metal mines were more active.

With clear indication that no immediate action can be expected on development of more power from the St. Lawrence river project, Ontario has turned to the Ottawa river for its next major increase in supply. With an agreement reached between Ontario and Quebec, sharing waterpower rights on this river, Ontario Hydro plans to rush work on a new hydro-electric plant at Des Joachims, on the Upper Ottawa, at a cost of around $40 millions. This plant could not be ready, at the earliest, for another two years.

In the meantime prospects are that next winter's peak can be met by continued conservation and good fortune with regard to water supply and lack of mechanical breakdowns.

Ontario Hydro

All-time records were established by the Hydro-Electric Power Commission of Ontario for peak primary power demand in the winter of 1942-43. This was not a novel event; it has been happening regularly each year since the war began and will probably happen once more late this year.

The year has also been marked by other events. There was the initiation of first effective steps to require curtailment of non-essential uses of power over most of the area served by Ontario Hydro. Arrangements were completed for sharing the power development rights on the Ottawa River between Ontario and Quebec. Under this arrangement Hydro plans to rush construction of a $40 millions power project on the Upper Ottawa.

Hydro-Electric Power Commission of Ontario operates as a publicly controlled body which acts as producer and wholesaler of power, supplying all but a relatively small fraction of the electricity consumed in the province. It operates its own generating plants at various centres and purchases power from producers in Quebec, from the Dominion government, and from various minor sources in Ontario.

The co-operating municipalities do most of the retailing although Hydro itself supplies numerous large industrial consumers directly.

United Grid System

The territory served is divided into five systems, including the Northern Ontario properties which are not owned by the commission but are operated in trust for the province. The southern Ontario systems are interconnected so power can be shifted from centres of surplus to those where shortages occur. Without this grid system, Ontario's power shortage would have been embarrassing, but, by its use, the province came through last winter's peak demand without undue hardship.

Dr. T. H. Hogg, chairman of Ontario Hydro, recently estimated that demand for power in Ontario was reduced by all forms of voluntary and compulsory restrictions by about 248,000 h.p. in December, 1942.

Last year Ontario Hydro added 129,000 h.p. to its power supplies. It also had the benefit throughout the year of increased diversion at Niagara augmenting its power resources by an average of 135,000 h.p. but without increasing peak load capacity.

Combined dependable power resources of southern Ontario in December last was 1,965,500 h.p. Actual primary load after curtailment was 1,957,000 h.p. or 67,000 h.p. more than actual primary demand in 1941.

Without the curtailment, actual primary load in 1942 would have exceeded that of 1941 by 275,000 h.p, or about 14%.

Areas served by Northern Properties suffered from reduced gold mining activity. This was only partly offset by greater demand from nickel mines and a reduced demand resulted.

1943 Outlook

For 1943, Hydro expects to add 65,000 h.p. from the $6 millions DeCew Falls plant now under construction. Around 20,000 h.p. will be available, as it has been in recent months, from the weir built in the Niagara River.

Altogether, Dr. Hogg estimates a net increase in demand in December, 1943, of between 60,000 and 120,000 h.p., bringing southern Ontario peak load requirements for primary power to from 2,017,000 to 2,077,000 h.p. Dependable capacity, including additions during the year, will be 2,030,000 h.p. Perhaps another 40,000 h.p. might be added under favorable water supply conditions.

Thus a peak load shortage of from 15,000 or 20,000 h.p. is indicated without any provision for reserves. This can probably be accommodated without too much difficulty, but it leaves no margin for unfavorable circumstances that might occur.

Ottawa Power

Outside of the provincially owned Ontario Hydro, Ottawa Light, Heat & Power Co. is one of the largest and most important of the privately owned power utilities operating in Ontario. It serves Ottawa, Hull, and surrounding territory.

Operations are conducted through two divisions—gas and electricity—the services of which have been on a capacity basis for some time.

The population of the Ottawa area is estimated to have increased by nearly 50,000 since the outbreak of war. Consequently, there has been a sharp upswing in demand for gas and electricity, especially for domestic purposes.

While operations are known to have been on a larger scale last year, it remains to be seen whether or not this will be reflected in net earnings.

Heavy capital expenditures have been incurred to take care of the increase in business. Capital outlay during 1941 amounted to $123,000. Work planned for 1942 involved an estimated cost of $317,000, largely for the purchase of electrical equipment.

Canada Northern

Light and power services in northern Ontario and northwestern Quebec are supplied by Canada Northern Power Corp., another of the few remaining privately owned companies operating in the province.

Operations in northern Ontario are carried out through the Northern Ontario Power Co., which serves the mining camps of Porcupine, South Porcupine, Cobalt, Kirkland Lake and others.

The northwestern Quebec section is served by the other subsidiary, Northern Quebec Power Co. This section includes the mining camps of Rouyn, Cadillac, Malartic, Dubuisson, Pascalis, and Bourlamaque.

Over a period of many years, sales and revenues of the company have shown a steady and at times substantial increase. However, the upward trend has been broken in the last two years through the loss of the Lake Shore and Noranda contracts. New contracts have tended to offset the loss, but in 1942 power sales dropped, while the number of customers declined from 25,935 to 23,344.

For 1942, the company had gross earnings of over $4.4 millions, or $420,000 less than in the preceding year. However, due to lower power purchases and a drop in tax payments, net profits were increased to 79 cents a share on the common stock, as against 61 cents a share the year before.

The position of Canada Northern Power is not as clear-cut as it might be, owing to the curtailment of gold mining operations. Also it is in competition with both the Ontario and Quebec governments. In 1940, for example, Ontario Hydro took over the Lake Shore contract. In 1941 Noranda undertook to obtain its power supply from the Quebec Government's plant. These were two of the most important contracts held. Their loss would have been a serious matter for Canada Northern Power had it not been for the fact that it was able to reduce power purchases from Ontario Hydro as these contracts lapsed.

For some time, it has been the common belief that eventually Ontario Hydro will make a bid for the company's northern Ontario property. A similar move may be made by Quebec, but there has been no indication of such a development in the near future.

Great Lakes Power

Great Lakes Power Co. supplies hydro-electric power to large industrial users, to Sault Ste. Marie, Ont., 15 neighboring communities and also to mining developments in the surrounding Algoma district. A wholly owned subsidiary operates the St. Mary's river ferry service.

Customers in all categories number some 750. Since the war a major stimulation to the company's business has been reported. Chromium Mining & Smelting, Abitibi Power & Paper, and City of Sault Ste. Marie have all shown an increased demand.

In Dec., 1942, the company paid dividend of $3 per share on its common stock. The previous payment on the common had been $2 per share made in Apr., 1940.

In 1941 a second generating unit with a capacity of 12,000 h.p. was added at Upper Falls plant on the Montreal River. An additional unit for the Lower Falls plant on the same river to boost capacity by 10,000 h.p. is projected.

The City of Sault Ste. Marie purchases power wholesale from the company and distributes it through its own system. In Feb., 1938, the contract for 5,218 h.p. was renewed, and is subsequently renewable every 10-year period until 1968.

The company holds perpetual water rights for the use of 20,000 cu. ft. of water per second continuous flow, on the Canadian side of the St. Mary's River, and also long-term water rights on the Michipicoten River to Feb. 15, 1956, with right to renew for two additional 10-year periods. Rights are also held on the Montreal River to Nov. 1, 1960, with a right to renew for an additional 30 years.

Transmission facilities consist of approximately 309 miles of lines, 6,600 volts and over. Within the area served by its transmission lines the company holds rights to approximately 16,000 undeveloped h.p., after allowing for completion of the new 12,000 h.p. unit.

A second 110,000-volt transmission line from Upper Falls on the Montreal River was completed last year to Sault Ste. Marie, a distance of 58 miles. A new line is being erected to the Josephine iron mine in the Michipicoten area.

Western Power Demand

(Continued from page 19)

sive and extends to May 23, 1961, when the city will have the right to buy the property at actual replacement value. The City of Moose Jaw purchases its entire energy requirements for water pumping from the company.

The company has given notice that it will redeem on Apr. 1 all the outstanding 6% first mortgage sinking fund bonds, series A and B, at 102 plus accrued interest. An offering has been made of a new issue of $2 millions of 4½% first mortgage sinking fund bonds series C at 99.50 and accrued interest, proceeds of which will be applied toward redemption of the A and B bonds. The balance of the sum required to refund these bonds will be provided by the sale of part and hypothecation of the balance of an issue of $500,000 5% general mortgage bonds. Provision is made for the exchange of the new series C bonds for the two previous series called for redemption.

Total revenue for the year ended Dec. 31, 1942, climbed to a new peak at $733,687, against $703,194 in 1941. Net earnings were $370,448 in 1942, and $374,125 in 1941. After deduction of $113,889 for depreciation, against $98,186 in 1941, balance of earnings available for interest and income and excess profits taxes totalled $256,560 in 1942, against $275,939 in the preceding year. The maximum annual interest charges on the $2 millions of series C bonds will be $90,000.

Power output in 1942 also established a high at 42,758,327 kw.h. More than 5,800 customers were served at the average price of 1.66 cents per kw.h. At the beginning of 1943 the company had 6,163 connected meters in the City of Moose Jaw.

Winnipeg Hydro

Winnipeg has had a municipally owned hydro-electric system since 1906 when ratepayers endorsed a by-law to spend $3¾ millions to develop a site on the Winnipeg River, some 75 miles from the city.

The city's system, Winnipeg Hydro-electric, has shown steady growth, experiencing a sharp gain in demand in 1940. Its competitor is the privately owned Winnipeg Electric Co. Winnipeg Hydro has built a modern plant at Slave Falls on the Winnipeg river and has set up a subsidiary operation through sale of steam for heating from its central plant. The steam heating utility had a net loss of $15,606 in 1941 as compared with $19,592 previously.

Net profit in 1941, latest year for which figures are available, was $461,373, as against $487,576 in 1940. Demand in 1941 for electricity continued to follow the upward trend established the year before. The maximum load was 87,000 kilowatts, an increase of 3,700 kilowatts.

Normal energy sales were almost 14 million kw.h. greater in 1941 than in 1940 and are believed to have shown a comparative gain in 1942.

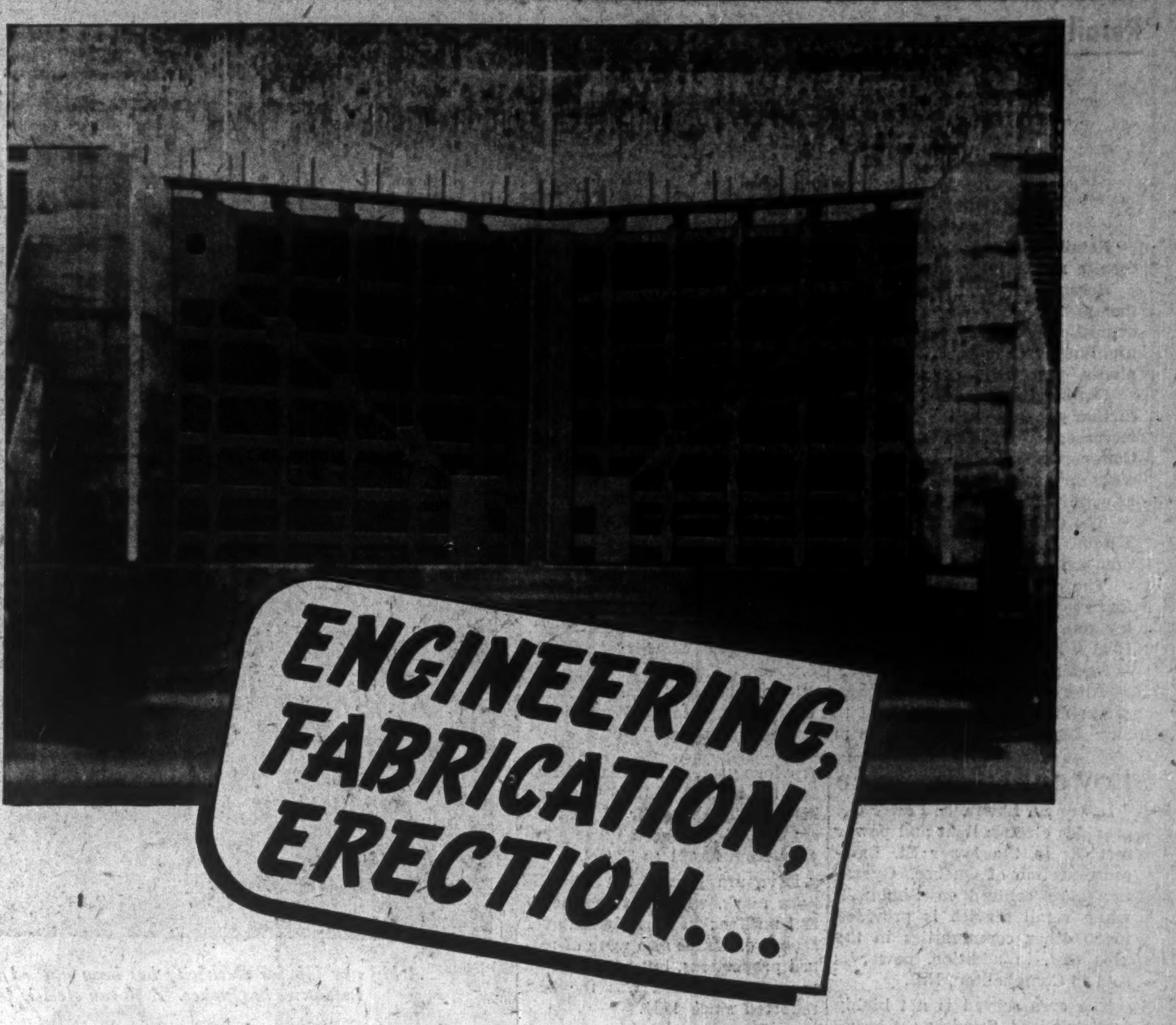
The problem of obtaining sufficient supplies for maintenance and renewal under wartime conditions, felt by almost all utilities, is also a factor in Winnipeg utility operations.

Dominion Electric

Dominion Electric Power Ltd., which is controlled by Washington Gas & Electric Co., has a well-developed earning power.

Operations are centred largely in Saskatchewan, where it provides electrical services for 42 communities. In all, it serves 6,400 customers in 48 communities and has 18 plants with a total capacity of over 7,000 kilowatts.

Gross income rose from $487,242 in 1939 to $550,349 in 1941. Net income has increased in much the same ratio and in 1941 a dividend of $1.75 a share was paid on the common stock. Public investment interest is confined to the first mortgage bonds, of which $850,000 were issued in 1935. At the end of 1941, bonds outstanding had been reduced to $720,000.



These large Tidal Dry Dock Gates---engineered, fabricated and erected by Hamilton Bridge, are a symbol of Canada's wartime progress. This excellent engineering project is but one example of what Hamilton Bridge can do for Canada in peace or war. Our facilities are now devoted almost entirely to the manufacture of weapons for war. But the day is not far off when once again Hamilton Bridge will be able to design, fabricate and erect steel for peace-time requirements.

Ask HAMILTON BRIDGE COMPANY LIMITED
HAMILTON, ONT. VANCOUVER, B.C.
ENGINEERING FABRICATION ERECTION

Information Operators Aren't Encyclopedias

"I'm knitting socks for soldiers. How long should I make them?"

"To whom should I apply to assist in registration?"

These are typical of the questions hurled at the information office of any telephone company, despite the fact that such offices are only to supply new telephone numbers, or numbers changed since the issue of the latest directory.

In Toronto two out of every 100 calls made come into the information board.

When in doubt about non-telephone problems many Torontonians dial "113" to receive the invariable answer: "I'm sorry but we do not have that information."

A large proportion of calls to Information are for numbers listed in the directory under the exact name requested. Possible reasons for the call may be: The lights have failed, which seems improbable, or, the subscriber has broken his glasses. But in the majority of cases the subscriber just didn't feel inclined to thumb through the pages of the book.

Average call to information is completed in less than a minute. If more than 45 seconds are required to find the number the operator makes a progress report to the caller to assure him that she has not forgotten him.

RUSH HOUR TRAFFIC PROBLEMS
Are the concern
of Every Employer

● Street-cars cannot move increasing thousands of war-workers to and from their jobs efficiently if the cars are to be jam-packed in rush hour peak periods.

Over-crowding slows down the system and the entire operation loses vitality.

A major cause of over-crowding is that many businesses and war-industries in the same neighbourhood start work at the same time, resulting in peak loads of employees to and from that particular area.

Although 35,000 workers in Toronto are already on "staggered hours," the situation will undoubtedly become more serious.

Transportation is a vital wartime factor requiring your closest co-operation. Few, if any, new street-cars or buses are available.

The T.T.C. will gladly furnish complete information and suggestions on the subject of "staggered hours" as it applies to your particular business.

✓ "Staggered Hours" help

TTC
TORONTO TRANSPORTATION COMMISSION

Retail Power Sales

Quebec Utilities Step Up Pace

Industrial and Domestic Demands Both Show Increase

Retail power operations in Quebec last year continued to expand, despite restrictive measures to save materials and manpower.

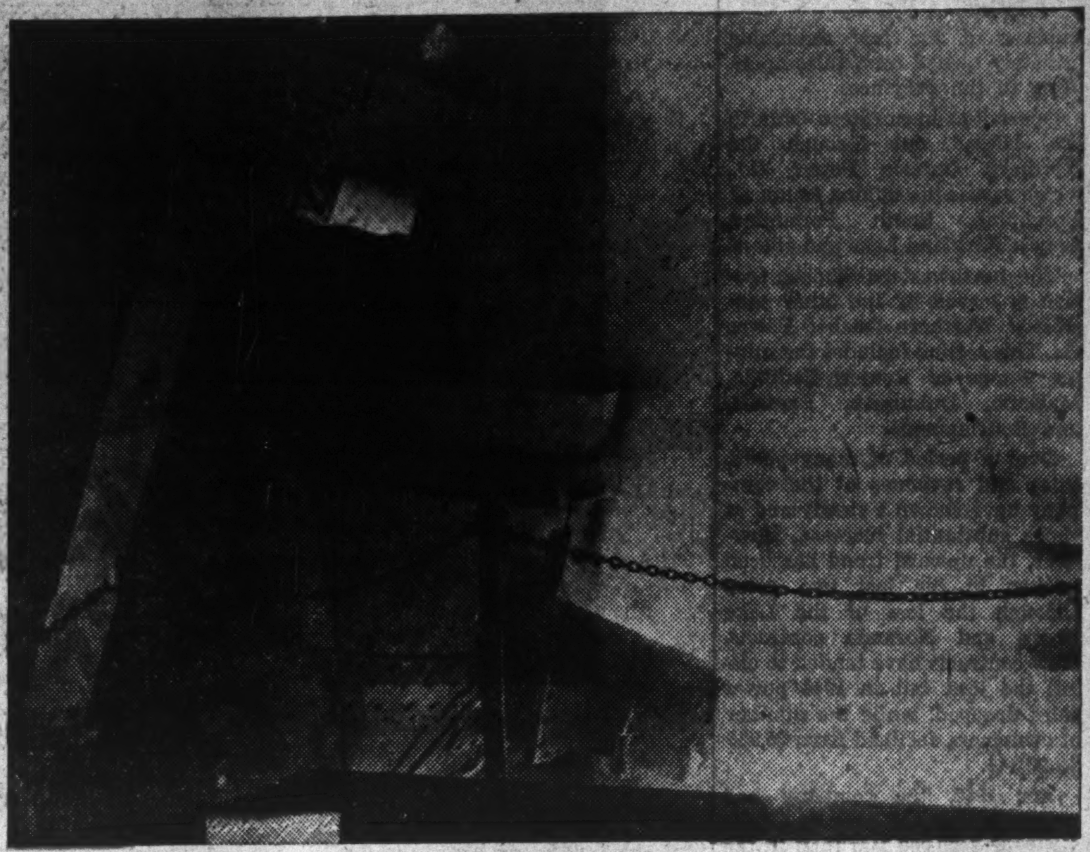
Because of the threatened shortage of power for war industries, the power controller regulated non-essential consumption and domestic consumers were asked to conserve energy. Other orders prohibited power companies from providing service to out of the way places, practically deferred all rural electrification.

Despite these orders, the demand for domestic service showed a further gain, due to the influx of war workers from other provinces, increased spending power, and greater use of electrical appliances. Commercial sales up till the time the restrictions went into effect were on a larger scale, but thereafter fell off sharply. The same set of conditions applied to rural services.

The demand has not fallen off, but the distributors have reached a point where they are more concerned with maintaining services than extending them.

The growth in retail services has been distributed evenly in the four major areas—Montreal, Eastern Townships, St. Lawrence Valley and Quebec City. These sections are served by Montreal Light, Heat & Power Cons., Southern Canada Power Co., Shawinigan Water & Power Co. and Quebec Power Co.

Attention is being given now to the extension of rural electrification after the war. Some of the companies, notably Shawinigan, have been especially active in promoting this phase.



—National Film Board photo.

A big war job for electricity has been opened up through the gun plant of Sorel Industries in Quebec. A 30-ton electric furnace is shown in operation.

Lower St. Lawrence

Lower St. Lawrence Power Co. provides electric light and power services in the lower St. Lawrence section of Quebec. Operations are centred in Rimouski, while retail service is provided to 50 other communities in the area and, in addition, power is sold to Campbellton, N.B.

The area served is not highly industrialized. Services are largely of a domestic nature, with less than 5% of the power load being used by industry.

Growth has been steady, with dollar revenue from power sales advancing from $245,214 in 1935 to $360,817 in 1941.

Plant and equipment have expanded and late last year the company secured approval from the Quebec Public Service Board to issue $200,000 of 13-year 5% first mortgage bonds to reimburse the treasury for capital expenditures made since 1935, and preliminary expenses for the construction of a hydro-electric power station.

Southern Canada

Operations of Southern Canada Power Co. were somewhat varied last year. Sales of electricity and power increased, but net revenues were not so favorable, due to higher operating costs, the purchase of larger quantities of power owing to water shortage, and increased taxation.

For the year ended Sept. 30 last the company reported an output of 277.9 million kw.h. as compared with 243.8 million kw.h. in the previous year, an increase of 13% and the highest in the company's history. The number of customers served increased during the year from 32,631 to 33,669.

Revenues passed the $3 millions mark, while net income of $2.1 millions was the highest ever reported. Taxes also were of record proportions, but net profit on the common stock was the best reported since 1931.

Over a period of many years this company promoted the establishment of new plants within its territory. The power load has increased substantially, and there has been a gain in the domestic load consequent upon the greater volume of employment.

Tax Affects Profits

The outlook continues satisfactory. While some of the industries in the territory have been affected by material shortages, the loss has been more than offset by war business.

Early this year the company purchased the Yamaska Division of City Gas & Electric Corp., which consists of 38.5 miles of line serving the villages of St. Bonaventure, St. Guillaume, St. David, St. Ami and adjacent territory.

Earnings for the current fiscal year—up to the end of January—have been well maintained, but profits have been adversely influenced by higher taxation. Thus, for the four months ended Jan. 31, 1943, there was a surplus of $5,471 after dividends, compared with a surplus of $44,650 for the like period of the preceding year.

Quebec Power

Quebec Power Co., controlled by Shawinigan, provides power and light, gas and tram services in the second largest urban area in Quebec.

There has been a substantial increase in the use of electricity for light and power. At the end of 1942, the company was serving 58,982 customers in 96 municipalities.

Improvement in sales of electrical energy was paralleled by the gas division. Total sales of gas last year were 425 million cu. ft., an increase of 8% over the preceding year. Gas customers numbered 10,888, compared with 10,558 at the close of 1941.

Tramways and buses carried more passengers during 1942 than any other year on record.

Good for Duration

The conditions which combined to bring about these exceptionally high operating results last year are expected to continue for the duration.

During the last year Quebec Power spent nearly $500,000 on capital account, a large part of which was for completion of the Montcalm substation. This was placed in operation in December with an initial capacity of 5,000 kilowatts. Other expenditures were for additions to distribution lines, stations and meters for consumer premises.

Montreal Power

Sales of Montreal Light, Heat & Power Cons. during 1942 rose to an all-time high and expanded production and distribution facilities were used to meet wartime demands.

The output of the system, exclusive of secondary power sales, was over 3,800 million kw.h., an increase of 500 million kw.h. over the preceding year.

At the end of 1942 Montreal Power's primary power load totalled 890,000 h.p. This contrasts with 685,000 h.p. at the start of the war. The additional output has been made available through the expenditure of around $12 millions on further development of the Beauharnois Power property.

The gas division also recorded increased activity, with production excess of 5,000 million cu. ft. Coke production exceeded 350,000 tons for the year, and was practically all devoted to war purposes, to the forced abandonment of peacetime markets. Similarly toluol, benzol and practically all by-products of the coke-ovens went to war purposes.

Has Extensive Interests

Montreal Power owns hydro-electric generating stations at Lachine Rapids, Cedar Rapids and Soulanges on the St. Lawrence River; Chambly on the Richelieu River; a steam auxiliary plant at Ville LaSalle, near Montreal. Through ownership of the majority of stock it controls Beauharnois Light Heat & Power Co., and Montreal Island Power Co. The aggregate capacity of all these plants is nearly 900,000 h.p.

Montreal Power also owns a gas manufacturing plant and controls, with the DeKopper Co., a by-product coke plant, located at Ville LaSalle. It controls all the power transmitted to Montreal by Shawinigan and the two companies jointly control United Securities, which in turn controls Montreal Tramways Co., Canadian Light & Power Co., and other subsidiaries.

Consolidates Properties

Progress has been made by Montreal Power in recent years toward consolidating its position. The latest move is the absorption of Cedar Rapids Mfg. & Power Co. As at the end of last August, Montreal Power had invested in this company over $32.8 millions, made up of $8.8 millions in shares, $8.4 millions in bonds, and $15.6 millions in advances.

Under an arrangement approved by the Quebec Public Service Board, Montreal Power paid to Cedar Rapids $32.9 millions, which was used to retire all the outstanding second mortgage bonds and capital stock after paying advances made by Montreal Power.

Net result of this transaction was not to change the financial set-up of Montreal Power in any way, as its investment in Cedar Rapids was already consolidated in the accounts.

Another move undertaken last year was to retire $9,055,150 of notes and bonds, through an exchange of $8,789,150 of convertible note certificates due 1949. This resulted in a net reduction in the funded debt of $266,000. Moreover, all funded debt is now payable in Canadian currency only, except for a small issue of the Provincial Light, Heat & Power Co., the payment of which cannot be anticipated.

At the end of last year the company had outstanding $5 millions of 2¾% convertible note certificates. It has government bonds to take care of the notes at maturity. Furthermore, it will take care of the $6,121,050 of 3% convertible notes, maturing in 1949, without the necessity of new financing.

There have been no further developments in respect to the provincial government's plan of taking over Beauharnois Light, Heat & Power Co. Nor has any action developed in respect to the physical inventory of the company's property undertaken by the Public Service Board of Quebec. The latter move was initiated as a first step in determining whether or not the rate structure was equitable.

Generally speaking, the position of Montreal Power continues to be strong. Its plant capacity, both power and gas, is sufficient to meet a moderate rise in demand. Earning power has been put on a well-established basis and even with the new taxation, it is understood the present dividend rate can be maintained.

United States Takes 7% of Power Output

Just under 7% of all the hydro-electric energy produced in Canada last year was exported to the United States. Deliveries in 1942 totalled 2,453 million kilowatt hours out of a total production of 37,109 million kw.h. This contrasted with 2,359 million out of 33,445 million kw.h. the year before.

By far the largest share of the energy exported was from Ontario, with Quebec in second place, and relatively small amounts from British Columbia, Manitoba and New Brunswick.

Copper Wire Goes to War

Vast quantities of copper wire are needed for the war effort of the United Nations. The wire goes into aeroplanes, ships, tanks, and innumerable other places. Copper is also required for many other purposes than wire. There is not enough copper to go around, and that is why the Government severely restricts the use of wire in the telephone business.

Manufacturers that might have made the switchboards and automatic equipment we need to meet the telephone demands in our territory are not permitted to do so because the materials, personnel and machines are needed to fill war orders. So we must get along largely with what we have.

These are reasons why many people who want telephone service are now unable to get it.

B.C. TELEPHONE CO.

IN ALBERTA Natural Gas is Key Worker for VICTORY in a surprising number of ways!

A FEW of HUNDREDS OF JOBS DONE BY GAS FOR VICTORY

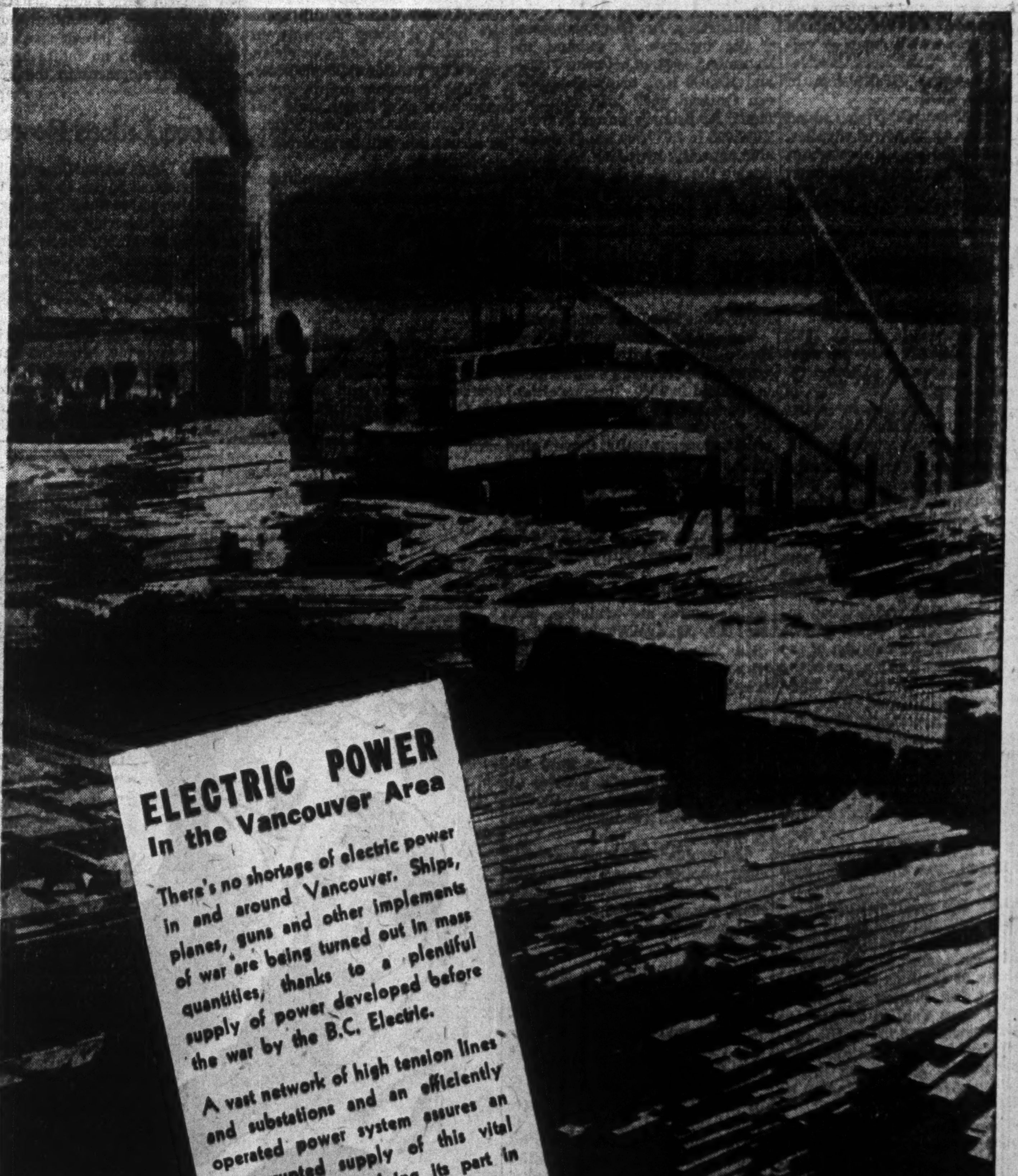
- Anneals brass for cartridge cases
- Turns Scrap Iron into Steel
- Prepares Wiltshire Sides for Britain
- Dries Eggs for Britain
- Processes Canned Foods, Meats, Vegetables
- Refines Aeroplane and Motor Fuels
- Provides servicemen with the best cooked food in the world
- Heats Barracks and Hutments
- Shapes Uniforms

In Alberta, Natural Gas is doing a big job for Victory. Practically every important industrial plant in the Province is using this flexible fuel for speed, precision processes, for volume production, as well as for maintaining healthful working temperatures.

The HOTTEST gas in Canada.

One of the lowest rates on the Continent.

THE CANADIAN WESTERN NATURAL GAS, LIGHT, HEAT AND POWER CO. LTD.
HEAD OFFICE - CALGARY
NORTHWESTERN UTILITIES LTD
HEAD OFFICE - EDMONTON



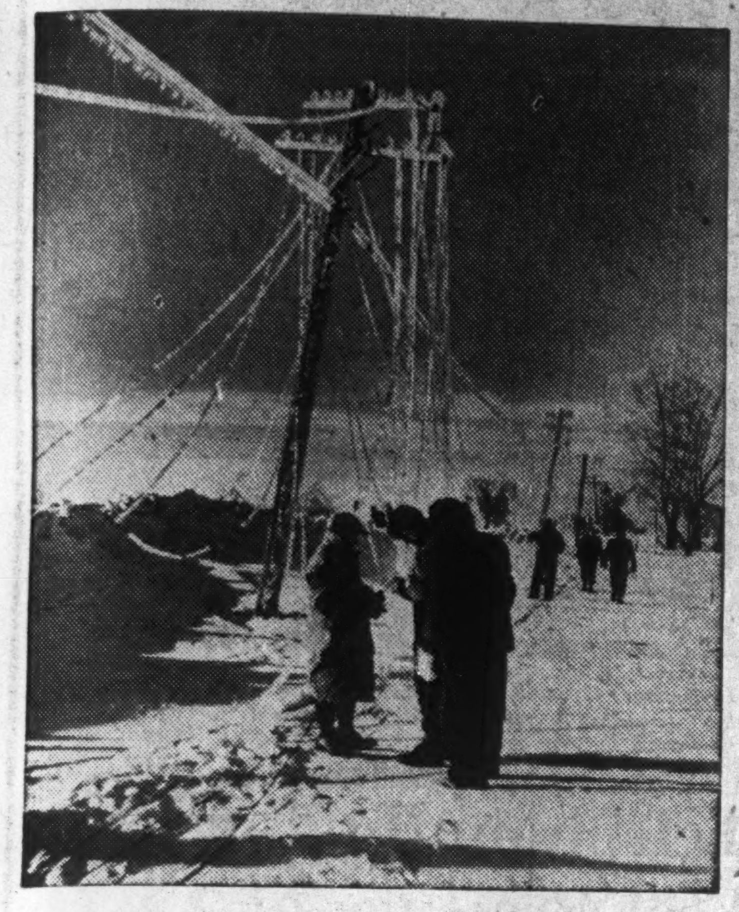
ELECTRIC POWER In the Vancouver Area

There's no shortage of electric power in and around Vancouver. Ships, planes, guns and other implements of war are being turned out in mass quantities, thanks to a plentiful supply of power developed before the war by the B.C. Electric.

A vast network of high tension lines and substations and an efficiently operated power system assures an uninterrupted supply of this vital service which is doing its part in winning the war.

BRITISH COLUMBIA ELECTRIC RAILWAY COMPANY LIMITED
BRITISH COLUMBIA POWER CORPORATION LIMITED
W. G. MURRIN, President • VANCOUVER

Quebec Power Meets Challenge



—Bell Telephone Photo.

Last winter's heavy storms placed tremendous responsibility on maintenance crews. Coatings of ice as shown above disrupted communications widely, but were repaired within a few hours.

(Continued from page 18)

upon the company. Complete output of its 28,000 h.p. plant is sold to Montreal Power at a fixed price under an agreement extending to 1949.

In view of the large holdings of Shawinigan and Montreal Power, there is comparatively little investment interest in Canadian Light. However, its securities enjoy satisfactory investment rating due, in part, to the association with the larger and more powerful company.

Mont. Island Power

No major changes have taken place in operations of Montreal Island Power Co., a subsidiary of Montreal Power, which operates a power plant on the Back River, near Montreal.

Entire output of the plant is sold under long-term contract to the parent concern. In recent years revenue under contract has been sufficient to cover expenses, interest and depreciation. On the other hand, no dividends have been paid on either the preferred or common stock. Arrears of dividends on the preferred total $90 a share as at Jan. 1, 1943.

Litigation Unsettled

Though all the bonds and practically all the common stock are held by Montreal Power, there is a fairly wide public investment interest in the outstanding $1 million of preferred stock. In 1936 owners of the preferred took action against the underwriters, claiming they had been induced to purchase the preferred on misrepresentation. The lower courts favored the plaintiff, a judgment which was upheld by the Ontario Court of Appeals and the Supreme Court of Canada.

In Jan., 1939, the underwriters filed an action in the Superior Court of Montreal, claiming $5,012,000 in damages against Montreal Light Heat & Power Cons. and John S. Norris, president. Action is still pending regarding this suit.

Beauharnois

Beauharnois Light Heat & Power Co., controlled by Montreal Light Heat and Power Cons., is the largest power producer in the Montreal area. Its 650,000 h.p. plant a short distance from Montreal is rated as one of the largest on the continent.

Earnings for the past year reflect increased production and sales resulting from the extensive development work undertaken in 1940 and still in progress. Sales include delivery of an additional 50,000 h.p. to Ontario Hydro, which brings the supply to the maximum quantity specified in the contract, namely, 250,000 h.p. In addition, the company delivered 150,000 h.p. to Montreal Power, while the balance of output was sold to St. Lawrence Alloys, Aluminum Co. of Canada, and various war factories.

The company now has 13 of 14 cf its 50,000 h.p. units in operation. In order to provide the necessary water, the channel was dredged and other work was done. Last year $2.5 millions was spent on capital account and it is estimated that another $5 millions will be needed.

There have been no new developments in connection with the Quebec government's plan to expropriate the Beauharnois plant. Legislation was passed in May, 1941, authorizing the government to take such a step.

Maclaren-Quebec

As the result of wartime conditions, Maclaren - Quebec Power Co., one of the major wholesale power operators in the Ottawa Valley district, has experienced a marked improvement in its position. During 1942 the company delivered an additional block of 25,000 h.p., to Ontario Hydro, bringing total deliveries to the commission to 125,000 h.p. under long-term contract. The delivery was made in Sept., 1942, instead of Nov., 1943, as called for in the original agreement. In addition, the company is now providing hydro, under temporary war contract, with 56,500 h.p. of electrical energy formerly used at the paper mill for steam. Maclaren-Quebec is also supplying Electric Reduction Co. of Canada Ltd., at Buckingham, with 6,600 h.p. for war purposes.

Large Capital Outlay

To make delivery of this additional power possible, Maclaren-Quebec undertook to construct a new boiler plant for raising steam to be used in the newsprint mill of the associated company. In addition, storage works were built on the Lievre River to increase the daily flow. Capital expenditures along these lines in 1942 amounted to nearly $1.5 million.

Reflecting the expansion in operations, power sales in the year ended Nov. 30 last totalled nearly $2.6 millions, or $700,000 more than in the 1941 fiscal year.

Ottawa Val. Power

Ottawa Valley Power Co., with Ontario Hydro, operates a joint development at Chats Falls.

This company, controlled by Calgary Power Co., sells its entire output of 96,000 h.p. under long-term contract to Ontario Hydro.

Earnings are definitely limited by contract and because of its fixed income position net profits have been affected by the heavier scale of taxation. No financial or operating statement is made public. All service charges in connection with the bonded debt are being met regularly, but no dividends are being paid on the common stock.

Gatineau Power

Operations of Gatineau Power Co., one of the largest power producers in Canada, have been on a satisfactory basis over the last year. While there has been no increase in production facilities, better water conditions have enabled higher kilowatt output with a consequent improvement in earnings.

At the outbreak of war, the company's water power resources were fully exploited and it has not been able to contribute much in the way of additional new energy. On the other hand, it has diverted a large quantity of secondary power to primary purposes.

Record Better Earnings

Indications are that net revenues in 1942 were on a better basis than in 1941. To the end of September net profits available for dividends totalled just short of $1.8 million, an increase of $336,000 over the same period in 1941.

Two developments of interest to shareholders of Gatineau Power Co. took place. The stock subscription rights expired on Dec. 30 last. These rights were attached to the 5% debentures and entitled the holder to purchase 10 shares of common stock at $10 a share for each $1,000 par value of debentures held. Money received from the sale of stock was to be applied to redemption of the debentures. Only a few of these rights were exercised.

The other development had to do with the affairs of the parent consequent improvement in earn- ectric System. The system owns 1,439,024 of the outstanding 1,652,470 shares of the common stock. Under the terms of an order issued by the U. S. Security Exchange Commission, International Hydro has been ordered dissolved. Under the plan, the system proposes to distribute 54 shares of Gatineau Power's common stock to the holders of each $1,000 par value of its 6% debentures. To date this distribution has not been affected, but it is possible definite action will be taken this year in view of the maturity of the debentures in 1944.

Freeze Services Of All Utilities

Conservation of Vital Materials Makes Order Necessary

Public utility services in Canada are frozen for the duration, except where necessary to further the war effort, with the object of conserving raw materials.

Under an order issued by the Controller of Metals last October, no public utility furnishing electrical, telephone, telegraph, electric railway, street car, water, sewage, gas or steam service may use any non-ferrous metal without a permit.

Electric advertising or display signs are out. New lighting for streets and highways also is out, as well as temporary services to seasonal places of business, carnivals, lawn socials, sports grounds and other civilian places of entertainment.

New street railway lines or extensions may be put in only under permit, while domestic services to a point 250 feet beyond the connection is prohibited.

Telephones in Use Set New Record

Wartime demands, added to the ever-increasing civilian needs, have boosted the number of telephones in service in Canada to over 1.5 million. On some systems, equipment capacity has been reached and new installations are strictly limited to essential war needs. On others, rationing cf civilian services has been in effect for some time.

The breakdown of installations, as shown in the 1940 returns, follows:

	Stations Installed
Prince Edward Island	5,581
Nova Scotia	52,251
New Brunswick	35,798
Quebec	324,219
Ontario	660,302
Manitoba	77,338
Saskatchewan	85,163
Alberta	73,422
British Columbia	146,788
Yukon	176
Total	1,461,038

Serving Canada since before Confederation

1866 1943

BRITISH AMERICAN
BANK NOTE COMPANY
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The Old Canadian Company

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Buy War Savings Certificates and War Savings Stamps

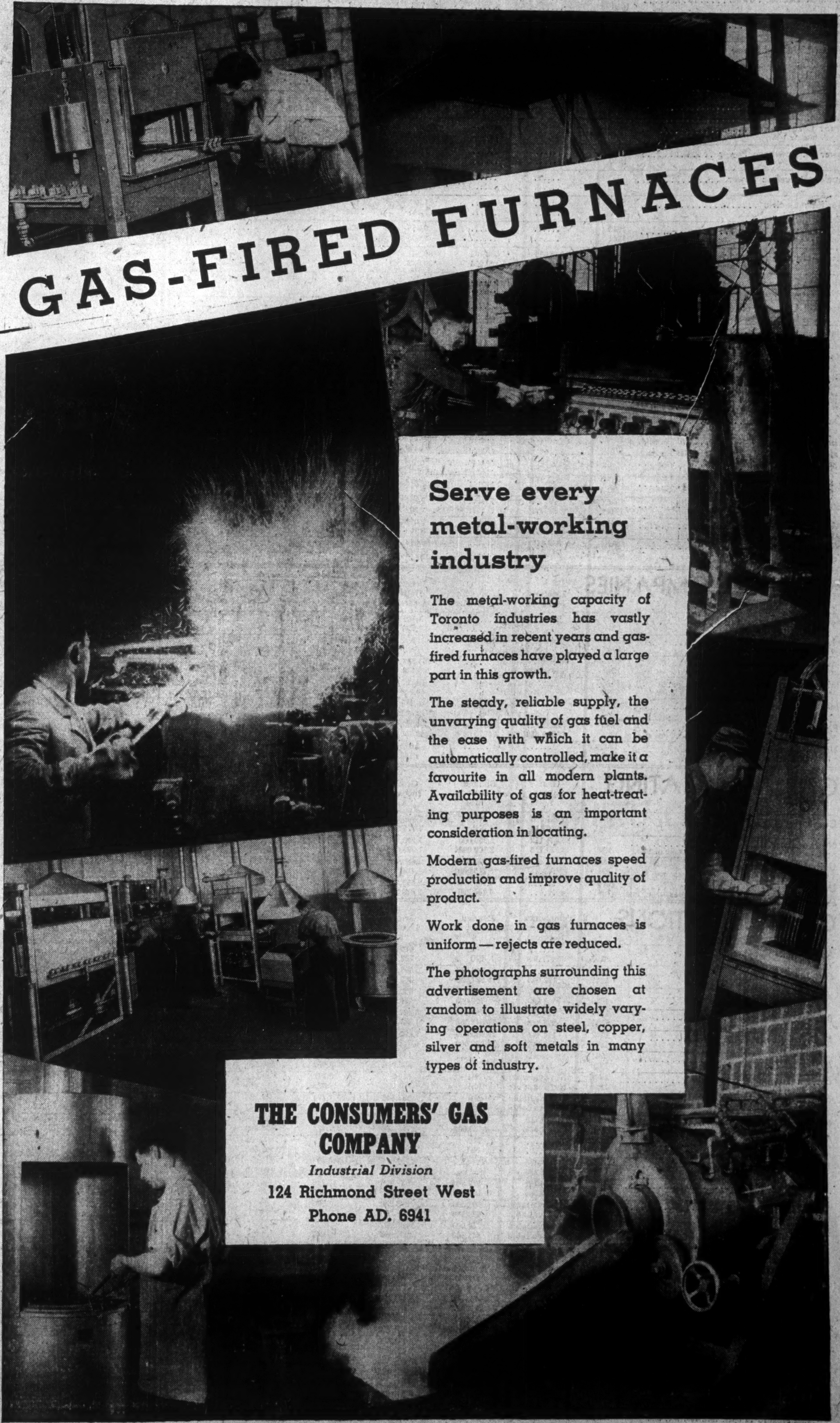
Serving 50,000 People
In 43 Communities

The Lower St. Lawrence Power Co. serves the south shores of the St. Lawrence River from Riviere-du-Loup to Matane, the Temiscouata district and the Matapedia Valley. Power available 9600 H.P. First class service available to all points of the territory through a 66 Kv. and a 33 Kv. transmission system.

The principal towns served are Rimouski, Matane, Mont-Joli, Trois-Pistoles and Amqui.

Rimouski, with its harbour accommodating ocean going steamers is the point of connection for Baie Comeau and other points on the North Shore.

LOWER ST. LAWRENCE
POWER COMPANY
RIMOUSKI, P.Q.



GAS-FIRED FURNACES

Serve every metal-working industry

The metal-working capacity of Toronto industries has vastly increased in recent years and gas-fired furnaces have played a large part in this growth.

The steady, reliable supply, the unvarying quality of gas fuel and the ease with which it can be automatically controlled, make it a favourite in all modern plants. Availability of gas for heat-treating purposes is an important consideration in locating.

Modern gas-fired furnaces speed production and improve quality of product.

Work done in gas furnaces is uniform — rejects are reduced.

The photographs surrounding this advertisement are chosen at random to illustrate widely varying operations on steel, copper, silver and soft metals in many types of industry.

THE CONSUMERS' GAS
COMPANY
Industrial Division
124 Richmond Street West
Phone AD. 6941

Statistical Record of Canada's Public Utilities

POWER

	Year	Operations Electricity M. Kw.h.	Operations Gas M. Cu. Ft.	Bonded Debt 000's $	Gross Income 000's $	Depreciation 000's $	Taxes Paid 000's $	Bond Interest Covered $	Share Profits Pfd. $	Share Profits Com. $	Com. D.V.D. $	Working Capital 000's $	Price Range 1942-43 Common Stock High	Low	Last
B. C. Power Corp.	1941	675,529	1,576,040	*37,207	18,729	2,550	3,221	1.93	"A" 2.04	"B" 0.04	"A" 2.00	1,554	"A" 27	17	25½
*Includes $20,797,625 of subs.	1940	636,897	1,444,700	*37,697	16,951	2,305	2,772	1.92	2.03	0.03	2.00	1,158	...	...	...
Beauharnois Light, H. & Power	1942	650	......	75,956	6,933	2,535	‡	...	...	Nil	Nil	▲189	9⅞	9½	9⅝
‡Not shown separately.	1941	600	......	75,956	5,566	1,347	‡	...	...	Nil	Nil	▲212	...	...	...
Calgary Power Co.	1941	181,897	......	11,652	2,640	497	*257	2.09	6.25	0.42	Nil	▲303	...	...	...
*Provision for income tax.	1940	161,341	......	11,550	2,338	400	*213	1.99	6.25	0.42	Nil	1,078	...	...	...
Canada Electric Co.	1941	......	......	1,300	439	49	76	...	...	...	5%	106	...	...	...
	1940	......	......	1,300	389	49	58	...	...	...	5%	84	...	...	...
Canada Northern Power Corp.	1942	630,135	......	14,030	4,540	732	772	2.85	12.78	0.80	0.60	3,390	7¾	4	6¾
	1941	731,329	......	14,304	4,994	720	870	2.72	11.43	0.61	0.80	2,678	...	...	...
Canadian Utilities	1941	28,326	......	2,600	1,401	140	209	3.38	...	...	0.26	239	...	...	...
	1940	24,593	......	2,646	1,308	130	115	2.99	...	...	0.25	218	...	...	...
Canadian Light & Power Co.	1941	......	......	2,677	464	95	28	1.46	...	1.03	1.00	609	14½	12	14½
	1940	......	......	2,686	447	88	26	1.37	...	1.00	1.00	531	...	...	...
Canadian Western Natural Gas	1941	......	8,289,140	......	2,241	126	416	...	15.65	3.05	2.00	639	...	...	...
	1940	......	7,712,119	......	2,153	122	375	...	16.67	3.47	2.15	710	...	...	...
Dominion Gas & Electric	1941	28,300	12,700,000	4,243	4,827	428	861	2.00	9.50	0.36	Nil	641	...	...	...
	1940	24,593	11,651,831	4,243	4,653	405	794	2.07	11.74	0.76	0.25	643	...	...	...
Dominion Electric Power	1941	......	......	720	550	95	......	...	...	...	1.75	98	...	...	...
	1940	......	......	756	523	94	......	...	...	...	3.50	90	...	...	...
East Kootenay Power	1942*	123,080	......	1,916	722	144	30	1.63	1.55	d1.81	Nil	▲1,748	0.50	0.50	0.50
*Years ended Mar. 31.	1941*	106,757	......	1,939	607	120	27	1.45	...	d2.34	Nil	▲1,853	...	...	...
Eastern Light and Power	1941	......	......	1,000	550	.....	......	...	...	1.12	0.75	...	...	...	...
	1940	......	......	1,000	496	39	59	...	...	0.85	0.80	78	...	...	...
Eastern Utilities	1941	......	......	1,325	186	.....	*2	2.99	4.23	4.05	Nil	44	...	...	...
*Includes fees. †11 months.	1940†	......	......	1,575	122	.....	*8	1.70	1.35	1.18	Nil	105	...	...	...
Gatineau Power Co.	1941	3,049,315	......	77,234	10,005	1,200	1,914	1.98	13.09	0.75	0.70	▲9	8½	4⅞	8½
	1940	3,087,902	......	78,642	9,779	1,200	1,637	1.98	13.77	0.82	0.80	▲313	...	...	...
Great Lakes Power	1941	363,813	......	6,202	571	255	*226	2.06	36.35	7.33	Nil	▲247	...	...	...
*Incl. income tax.	1940	313,948	......	6,200	507	238	*193	1.90	30.54	5.89	2.00	▲69	...	...	...
Lower St. Lawrence Power	1941	......	......	1,385	401	86	45	1.88	4.02	d0.79	Nil	60	...	...	...
	1940	......	......	1,401	367	86	33	1.57	2.66	d1.33	Nil	35	...	...	...
Maclaren-Quebec Power	1942	......	......	18,636	2,590	479	301	1.89	...	...	Nil	...	...	...	...
	1941	......	......	18,636	1,844	359	69	1.82	...	...	Nil	...	...	...	...
Maritime Electric	1941	......	......	1,341	612	58	43	2.39	...	12.68	6.00	34	...	...	...
	1940	......	......	1,345	551	56	23	1.99	...	11.15	6.00	44	...	...	...
Montreal Island Power	1942	......	......	9,065	826	.....	......	*1.34	...	...	Nil	63	1.00	.25	.25
*Before depreciation.	1941	......	......	9,065	782	.....	......	*1.24	...	...	Nil	▲125	...	...	...
Montreal Light, H. & Power Cons.	1942	•3,949,055	•4,036,454	*89,361	34,420	5,898	8,572	3.58	...	1.81	1.50	8,387	27	19⅞	25
*Including funded debt of subsidiaries. •9 months.	1941	3,343,333	5,120,014	*89,627	31,119	4,495	7,118	3.70	...	1.88	1.50	4,568	...	...	...
Nanaimo-Duncan Utilities	1942	*16,725	......	517	251	73	74	6.12	8.93	0.61	0.50	43	...	...	...
*Sales for year ended June 30.	1941	*17,237	......	535	246	65	78	5.90	8.59	0.57	0.45	45	...	...	...
National Light & Power	1942	42,758	......	2,625	734	114	......	...	...	...	...	93	...	...	...
	1941	40,622	......	2,306	703	98	......	...	...	...	...	78	...	...	...
Newfoundland Light & Power	1941	......	......	2,825	......	120	......	...	...	...	8.00	...	...	...	...
	1940	......	......	2,836	674	100	......	...	...	...	8.00	...	...	...	...
Nova Scotia Light & Power	1941	87,328	200,438	7,441	3,959	577	914	2.48	16.52	7.41	6.00	▲694	87½	...	...
	1940	72,155	185,035	7,566	3,272	541	517	2.42	16.05	7.07	6.00	▲186	...	78	84¼
Ottawa Light, Heat & Power	1942	......	......	4,423	1,042	353	281	2.99	12.76	0.95	0.60	330	7	4	7
*Deficit.	1941	......	......	4,508	1,013	395	264	2.46	8.80	0.46	0.60	358	...	...	...
Porto Rico Power	1941	......	......	1,297	1,271	250	......	11.03	47.69	52.29	8.00	▲565	...	...	...
	1940	......	......	1,474	1,325	250	......	8.44	52.29	15.10	8.00	▲248	...	...	...
Quebec Power Co.	1942	......	424,998	12,165	4,064	450	626	3.18	...	1.04	1.00	785	15⅝	11	15
	1941	247,838	395,049	12,292	3,766	450	567	2.99	...	1.04	1.00	642	...	...	...
Saguenay Power Co.	1942	......	......	30,397	6,591	727	1,618	3.32	28.44	5.46	4.00	797	...	...	...
	1941	......	......	31,199	6,069	736	1,196	2.77	25.42	4.74	3.00	203	...	...	...
Shawinigan Water & Power	1942	7,314,326	......	82,159	24,178	2,900	5,613	2.88	...	1.16	0.90	2,350	18½	12	17¼
	1941	6,270,760	......	83,005	20,064	2,400	3,210	2.10	...	1.06	0.90	4,040	...	...	...
Southern Canada Power	1942	277,914	......	6,109	3,261	362	*617	6.44	12.10	1.08	0.80	3,311	11½	8¾	10¾
*Provision for income tax.	1941	243,794	......	6,111	2,904	335	*550	5.82	10.65	0.82	0.80	2,842	...	...	...
West Canadian Hydro	1942*	......	......	2,901	488	81	39	1.64	0.80	0.05	0.10	147	...	...	...
*As at June 30.	1941*	......	......	2,202	487	79	44	1.84	0.94	0.18	0.10	117	...	...	...
West Kootenay Power	1941	......	......	2,026	3,823	743	*1,140	9.90	318.06	25.45	25.00	2,990	...	...	...
*Provision for income tax.	1940	......	......	8,243	4,169	729	*882	7.59	257.11	20.46	25.00	3,655	...	...	...
Winnipeg Electric	1941	939,448	......	36,843	4,384	1,986	577	*14.78	3.25	d0.07	Nil	1,883	3.75	.65	2.87
*3½% bonds.	1940	791,034	......	36,946	3,746	1,565	538	*13.09	2.48	d0.13	Nil	2,357	...	...	...

▲Excess of current liabilities over current assets.

HOLDING COMPANIES

	Year	Electricity M. Kw.h.	Gas M. Cu. Ft.	Bonded Debt $ 000's	Gross Income $	Depreciation $	Taxes Paid $	Bond Interest Covered $	Share Profits Pfd. $	Share Profits Com. $	Com. Dvd. $	Working Capital $	Price Range 1942-43 Common High	Low	Last
Foreign Power Securities	1942	......	......	1,701	19,675	......	......	0.14	d1.77	d3.11	Nil	...	.25	.05	.25
	1941	......	......	1,728	17,849	......	......	0.10	d1.87	d3.15	Nil	...	...	...	...
Hydro-Electric Securities	1941	Not available		Nil	549,652	......	†148,271	...	0.75	0.11	Nil	...	1½	½	1½
†Taxes and charges.	1940	Not available		Nil	550,655	......	†63,852	...	0.72	0.10	0.20	...	...	...	...
International Hydro-Electric	1941	*6,445,719	......	263,283	77,389,599	7,163,568	15,946,195	1.35	d3.58	§d1.18	Nil	9,221,623	°1⅞	½	1⅝
*Includes purchased power. °N.Y. §Class A.	1940	*6,042,968	......	266,420	71,005,527	6,452,431	13,593,998	1.30	0.97	§d0.42	Nil	8,395,966	...	...	...
International Power	1941	Not available		10,797	6,514,263	*959,616	......	...	11.19	1.86	Nil	472,715	10	2	4⅞
*And renewals.	1940	Not available		10,940	5,985,108	*888,654	......	...	9.51	0.70	Nil	181,962	...	...	...
International Utilities	1941	Not available		*16,849	7,058,846	602,883	1,155,577	...	6.00	1.49	Nil	3,242,176	°3½	2⅞	8½
*Of subsidiaries. °Class A.	1940	Not available		*18,128	6,932,514	569,404	1,070,529	...	7.55	3.22	Nil	4,392,255	...	...	...
Power Corporation	1942*	†2,833,427	2,851,764	9,597,100	1,571,732	‡1,200	57,720	2.73	15.76	0.42	0.30	270,604	8¾	¾	8½
‡Furniture and fixt. *Years end. June 30. †To Dec. 31.	1941*	†2,719,458	2,487,168	9,696,500	1,607,506	‡1,200	48,772	2.76	16.68	0.52	0.30	230,447	...	...	...
United Securities	1942†	......	......	4,025	133,608	......	1,575	0.54	...	d2.22	Nil	...	8½	2	9
†Year ended Mar. 31.	1941†	......	......	4,143	311,096	......	2,058	1.24	...	1.05	Nil	...	...	...	...

GAS AND HEATING

	Year	Gas Sales $	Bonded Debt $	Gross Income $	Depreciation $	Taxes Paid $	Bond Interest Covered $	Share Profits Pfd.	Share Profits Com.	Com. Dvd. $	Working Capital $	Price Range 1942-43 Common High	Low	Last $
Consumers' Gas Co.	1942	5,964,516	Nil	7,805,344	......	......	....	....	10.81	8.00	3,705,362	132	109	125¼
	1941	5,536,848	Nil	7,575,865	......	......	....	....	11.27	8.50	3,634,440	...	...	...
Northwestern Utilities	1941	*4,424,112	2,850,000	1,240,176	......	......	3.53	14.38	....	‡	98,798	...	...	...
*M. cu. ft. ‡$118,000 in 1941; $144,000 in 1940.	1940	3,939,712	2,400,000	1,224,026	......	213,170	3.93	21.42	....	‡	▲3,030	...	...	...
United Fuel Investments	1942•	......	*5,628,000	1,622,932	250,409	‡385,000	4.30	4.68	0.86	Nil	1,475,422	...	...	...
*Including subs. ‡Inc. tax. •Years end. Mar. 31.	1941•	......	*5,745,000	1,484,903	239,741	‡353,000	3.85	4.52	0.76	Nil	1,537,508	...	...	...
Union Gas Co.	1942*	......	4,109,300	2,513,244	770,614	‡425,000	7.27	....	1.04	•0.40	378,932	10⅜	4⅛	7
‡Inc. tax. *Year end. Mar. 31. •Deferred Sept., 1942.	1941*	......	4,389,200	2,670,245	587,575	‡595,000	7.96	....	1.41	.80+.20	1,502,392	...	...	...

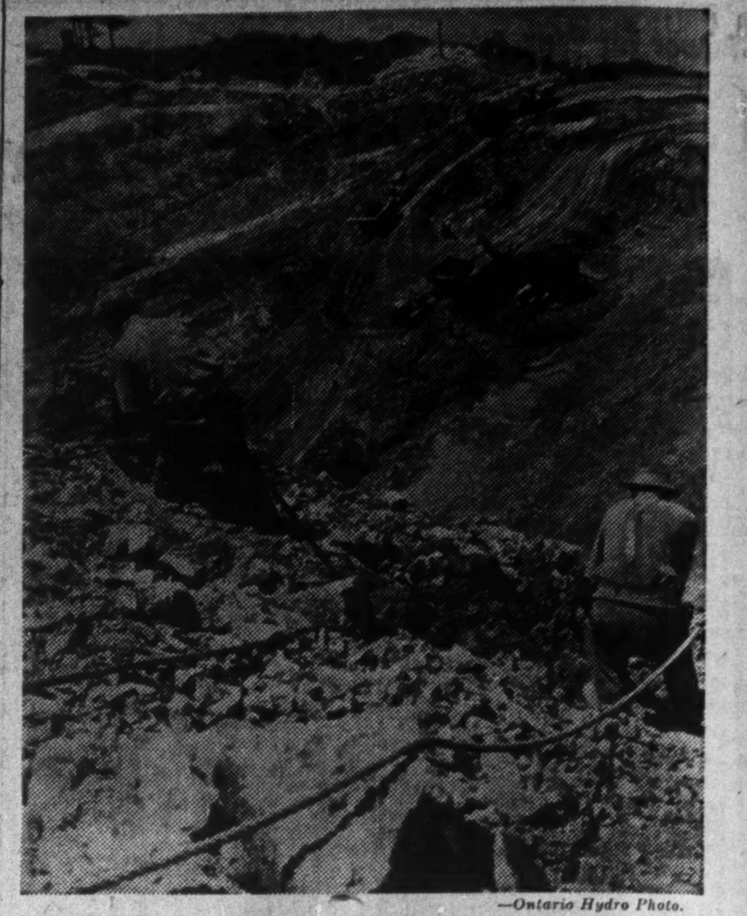
COMMUNICATIONS

	Year	Telephones in Service	Bonded Debt $	Gross Income $	Depreciation $	Taxes Paid $	Bond Interest Covered $	Share Profits Pfd.	Share Profits Com.	Com. Dvd. $	Working Capital $	Price Range 1942-43 Common High	Low	Last $
Anglo-Can. Telephone	1941	......	Nil	670,669	......	15,724	....	7.11	0.74	0.60	547,008	...	...	...
	1940	......	Nil	723,412	......	22,003	....	7.09	0.70	0.60	688,263	...	...	...
Assoc. Tel. & Tel.	1942*	......	11,546,000	806,344	......	......	1.45	2.22	....	Nil	245,878	...	...	...
*For nine mos. to Sept. 30.	1941	192,043	11,637,000	968,970	......	......	1.17	0.47	....	Nil	121,050	...	...	...
Avalon Telephone	1941	11,500	784,000	350,819	85,088	*21,002	3.12	2.25	1.73	1.75	77,878	...	...	...
*Provision for income tax	1940	8,800	792,000	286,938	50,418	*13,090	2.63	2.82	1.79	1.75	32,759	...	...	...
Bell Tel. of Canada	1942	925,414	77,732,070	56,467,360	8,721,473	10,668,000	6.52	....	8.72	8.00	682,400	150½	123	147
	1941	888,348	76,542,158	51,367,792	8,304,308	8,076,000	5.61	....	8.77	8.00	▲668,576	...	...	...
B. C. Telephone	1942	148,447	14,000,000	7,195,829	1,208,669	815,443	2.26	72.70	8.82	8.00	1,050,248	...	...	...
	1941	143,807	14,000,000	6,573,767	1,058,559	680,076	2.44	72.31	8.93	8.00	970,018	...	...	...
Canadian Marconi	1941	......	......	1,130,564	498,149	300,000	....	....	0.059	0.04	2,072,429	1.45	.45	1.35
	1940	......	......	833,008	280,981	220,000	....	....	0.06	0.04	1,947,667	...	...	...
Eastern Townships Telephone	1941	Not available	Nil	112,902	13,322	15,942	....	....	1.28	1.00	▲62,369	...	...	...
	1940	Not available	Nil	105,992	14,085	12,873	....	....	1.18	1.00	▲67,932	...	...	...
Farmers' Telephone	1941	Not available	Nil	37,545	7,271	4,192	....	....	0.97	1.25	9,425	...	...	...
	1940	Not available	Nil	36,878	7,168	3,449	....	....	1.10	1.25	6,712	...	...	...
Maritime Tel. & Telephone	1942	55,719	4,500,000	3,110,279	515,646	794,595	6.80	3.46	1.03	0.80	796,847	15⅛	14	...
	1941	51,434	4,500,000	2,726,382	377,921	•652,869	5.63	3.16	0.93	.77+.02½	1,010,437	...	...	...
Montreal Telegraph	1942	......	Nil	168,076	......	*69,000	....	....	....	‡1.82	....	24½	20	...
*Inc. tax res. ‡After corp. inc. tax.	1941	......	Nil	168,047	......	*62,000	....	....	....	‡1.96	....	...	...	...
N. B. Telephone Co.	1942	38,875	......	2,116,671	378,594	376,558	....	....	0.55	0.50	▲169,089	...	...	...
	1941	37,230	......	1,894,616	313,020	224,712	....	....	0.63	0.50	▲45,519	...	...	...
Northern Telephone	1941	14,189	139,500	525,965	73,218	*46,236	23.4	....	16.9c	10.0c	51,109	...	...	...
*Inc. tax adj.	1940	13,506	145,500	521,615	71,707	*50,916	21.7	....	18.6c	10.0c	5,883	...	...	...
Okanagan Telephone Co.	1942*	Not available	601,500	228,250	34,961	22,777	3.04	....	....	7.76	10,801	...	...	...
*Year ended June 30.	1941*	Not available	623,000	225,236	32,599	22,827	3.32	....	....	7.00	41,708	...	...	...
Quebec Telephone and Power	1942	Not available	359,000	262,987	47,151	......	....	....	0.66	Nil	▲15,954	4	4	4
	1941	Not available	364,500	231,063	44,367	......	....	....	0.33	Nil	22,163	...	...	...

▲Excess of current liabilities over current assets.

TRAMWAYS

	Year	Passengers Carried No.	Bonded Debt $	Gross Income $	Depreciation $	Taxes Paid $	Bond Interest Covered $	Share Profits Pfd.	Share Profits Com.	Com. Dvd. $	Working Capital $	Price Range 1942-43 Common High	Low	Last $
Brazilian Traction	1941	1,070,737,408	*29,426,874	13,729,616	......	......	....	3.342	1.87	0.40	33,768,659	16⅝	6	15¾
*Of subs.	1940	1,024,933,081	*30,111,127	9,849,025	......	......	....	2.353	1.31	Nil	25,812,454	...	...	...
Jamaica Public Service	1942	......	1,837,381	1,371,598	......	115,545	....	....	1.25	0.68	545,444	11½	10	11
	1941	......	1,867,019	1,236,630	......	171,603	3.54	....	1.15	0.68	466,618	...	...	...
Mexico Tramways	1941	180,016,915	885,393	2,731,720	......	......	....	....	....	....	509,414	...	...	...
	1940	189,168,892	885,393	2,422,306	......	......	....	....	....	....	593,943	...	...	...
Montreal Tramways	1941	263,571,788	45,767,400	16,605,845	500,000	......	1.45	....	5.47	†1.50	3,986,401	32½	12	31
†Paid Jan., 1941, since def.	1940	225,764,051	47,605,000	14,363,415	700,000	......	1.40	....	4.75	6.00	3,202,696	...	...	...
Ottawa Electric Railway	1942	Not available	......	2,627,050	314,877	......	....	....	....	1.60+.50	....	25	12	24
	1941	Not available	1,960,000	1,970,921	242,741	351,000	7.01	....	4.38	1.20+.50	474,865	...	...	...
Twin City Transit	1942	128,924,943	13,225,600	11,460,105	1,192,291	*1,847,063	3.59	35.70	3.91	Nil	831,466	7	1	6½
*Taxes assigned to oper. incl. fed. inc. tax.	1941	105,041,868	14,630,600	8,686,770	1,147,699	*945,065	1.52	7.91	0.12	Nil	1,795,064	...	...	...



—Ontario Hydro Photo.

The Ontario Hydro has made use of many new power sites to meet the tremendous demands placed on it by industry. Here is excavation work in progress for the new DeCew plant in the Niagara peninsula.

Telephone Holding Units Feel Pressure of Taxes

Operations of Subsidiaries Reach Near Record Proportions, But Limited Revenues for Duration Are Indicated

Telephone holdings companies are strictly limited in the Canadian investment field. There is only one in which there is wide investment interest, though this company in turn has two subsidiary holding units. This company is Associated Telephone & Telegraph, which controls Anglo-Canadian Telephone & Telephone Securities, with important holdings in various parts of the world. Properties in Belgium and the Philippines have passed into enemy hands, others have been affected by exchange restrictions, but developments arising out of the war have not affected the basic soundness of these companies.

In addition to Associated, Bell Telephone Co. of Canada might be classified as a holding unit, though the great majority of Canadian investors are inclined to look upon it as an operating company. Bell has several wholly owned, separately operated companies, a controlling interest in New Brunswick Telephone Co., and a financial stake in other properties.

Because of the stability of operations in the communications field, the telephone holding companies have had a good record to date. However, taxation is bearing heavily on the operating units, a condition which may have its influence on dividend policies over the the next year.

Assoc. Tel. & Tel.

Canadian investment interest exists in the shares of Associated Telephone & Telegraph Co., which has a stake in telephone operating companies in Canada, Colombia and the Dominican Republic and in manufacturing concerns in the United States and Canada. In addition, the company made heavy investments in properties in the Philippines and Belgium which are now in enemy-occupied territory and the status of which cannot be determined at this time.

Principal investment in Canada is B. C. Telephone Co., control of which is held through Anglo-Canadian Telephone Co.

Associated also is interested in Canadian Telephone & Supplies Ltd., a sales organization, and Phillips Electrical Works, one of the larger Canadian equipment manufacturers.

An interim report indicates an improvement in earnings. Actually the companies in which Associated has an interest have experienced a broad expansion of activities, but this has not been wholly reflected in the parent company's statements owing to exchange restrictions and currency depreciations. For example, the Colombian subsidiaries have not been permitted to remit any interest or dividend payments to the United States since the outbreak of war in Europe.

For the first nine months of 1942, Associated reported a gross income of $806,344. This contrasted with $681,551 for the like period of 1941. As operating expenses, debenture interest and taxes were practically unchanged, there was an increase in net income to $166,671, compared with $35,619 for the same period of 1941. Net profit on the combined 7% and $6 preferred totalled $2.22 a share, as against 47 cents a share the year before.

No dividends on the first preferred shares have been paid since Nov., 1941, since it is the opinion of the board that no further dividend action should be taken until cash necessities, charge-offs and other factors have been defined and provided. As at Sept. 30 last, accumulated dividends and arrears on the 7% preferred stock amounted to $63.21 a share and on the $6 preferred stock $54.18 a share.

Anglo-Can'd'n Tel.

Associated Telephone & Telegraph's interests in Canada are largely represented in Anglo-Canadian Telephone Co. which, in turn, is a holding company. Through subsidiaries it owns telephone systems in British Columbia and the Dominican Republic and is interested in the Philippine Long Distance Co.

Principal investment is in British Columbia Telephone Co. Anglo-Canadian owns 44,979 ordinary shares of 45,000 shares outstanding. It also controls Dominion Directory Co., North West Telephone Co., Chilliwack Telephone Ltd., Kootenay Telephone Co., Mission Telephone, Canadian Telephone & Supply and Compania Dominica de Telephonist.

These properties are prospering, especially B. C. Telephone Co., which has experienced a substantial increase in the volume of subscribers.

While the financial statement for 1942 is not available, it is understood that earnings showed a minor decline as contrasted with 1941, but the dividend on the class A stock, amounting to 60 cents a share, was covered by a comfortable margin.

Telephone Secur.

Telephone Securities Ltd., subsidiary of Anglo-Canadian Telephone Co., controls Philippine Long Distance Telephone Co., which is now in the hands of the Japanese. Until the Philippines have been recaptured by the United Nations the status of this investment must continue in doubt.

The only change of any consequence in connection with the affairs of Telephone Securities over the last year was an increase in the outstanding capital stock from 160,000 to 187,000 shares, all of which are owned by Anglo-Canadian Telephone. The additional 27,000 shares were issued to Anglo in order to clear up advances totalling some $450,000.

There is no direct Canadian investment interest in Telephone Securities, but Canadians are interested indirectly through Anglo-Canadian Telephone.

Electric Boiler Use Curtailed

Electric energy employed in the raising of steam in electric boilers has been sharply curtailed since the outbreak of war. The principal user of energy in this form—the pulp and paper industry—has been forced to turn to fuel plants to take care of their steam requirements.

Last year only 2,239 million kilowatt hours of energy were used for steam raising. This was less than a third of that used in 1937 and amounted to about 5¾% of the total output.

Secondary Power Consumption
(Millions of Kilowatt Hours)

Year		Year	
1942	2,239	1939	7,034
1941	4,297	1938	6,130
1940	5,423	1937	7,303

B. C. Utilities

Coast Utilities Step Up Operations

Firm Power Use Reaches All-time High in 1942

Last year the amount of firm power consumed in British Columbia increased around 7½% to 2,607 million kilowatt hours, a figure never before reached.

A variety of conditions combined to bring the increase. Influx of large numbers of men of the armed forces was a factor, as was extension of shipbuilding, and more work for the war industries. Base metal mining has continued on an all-out basis, with heavy power demands.

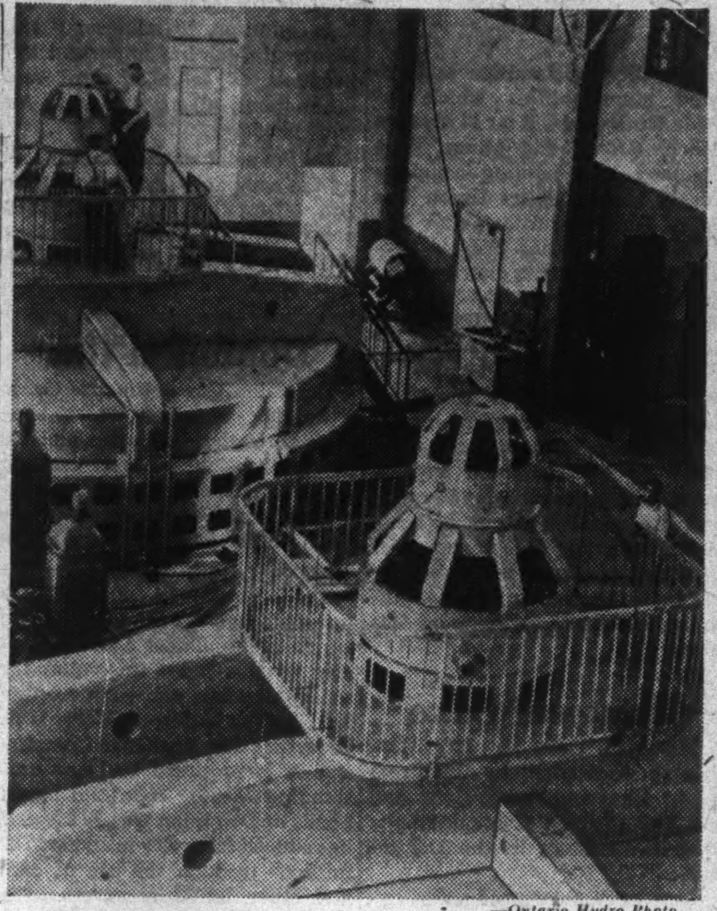
In some sections, notably around Trail, it has been necessary to add to generating facilities, but, generally speaking, the power supply situation on the coast continued well in hand.

From an operating point of view, west coast operators have had little cause for complaint, but establishment of the provincial public service commission and the agitation for public ownership of power properties has brought a new feature into the situation.

One of the first tasks undertaken by the new body was to make an investigation into the affairs of B. C. Electric, subsidiary of B. C. Power, and by far the largest utility operator on the coast.

Out of this has come a considerable amount of confusion. There appears to be no criticism of the services. The arguments revolve mainly around the point of whether rates are too high.

To date, there has been little discussion regarding the position of other power companies, such as West Kootenay Power & Light, East Kootenay Light & Power, Nanaimo-Duncan Utilities and others. This is easy to understand because the operations of B. C. Power's subsidiaries are centred in the largest urban areas, Vancouver, New Westminster and Victoria. Outside those centres, domestic services are limited.



—Ontario Hydro Photo.

Another of the Ontario Hydro's new power projects is the Barrett Chute plant in eastern Ontario. The plant's two generators are shown above.

West Canadian

West Canadian Hydro Electric Corp. with its subsidiaries supplies electricity, power and telephone service in the Okanagan Valley, and power, telephone and domestic water services to other areas in B. C.

A reorganization was carried out June 30, 1942, to eliminate Pacific Western Investment Co., a holding company which controlled West Canadian Hydro Electric Corp. and Pacific Power & Water Co. Ltd. Under the plan Pacific Power & Water became a wholly owned subsidiary of West Canadian. It was felt by the directors that Pacific Western no longer served a useful purpose.

Consolidated gross revenue of West Canadian was up to $479,740 for the year ended June 30, 1942, not including the earnings of Pacific Power & Water since that company was acquired after the close of the fiscal year.

A general increase in expenses, however, reduced net profit to $47,861 in the 1941-42 period from $68,086 in 1940-41. Depreciation was $44,247 against $43,860 in the previous year. Income taxes were reduced from $35,527 to $32,500.

Earnings per share were 80 cents on the preference stock and five cents on the common in 1941-42, compared with 94 and 18 cents respectively in the period preceding. The company is paying annual dividends of 80 cents per share on the preferred stock and 10 cents on the common. Consolidated working capital at June 30, 1942, increased from $116,802 to $147,496.

The capacity of the Shuswap Falls generating plant was doubled in 1942 by addition of new equipment. The company has entered into a war contract with West Kootenay Power & Light Co., whereby West Canadian will supply West Kootenay with its power needs for the south end of the Okanagan Valley.

Subsidiaries of West Canadian are Okanagan Telephone and Pacific Power.

B. C. Power

Operations and earnings of British Columbia Power Corp., the largest public utility on the west coast, recorded a moderate betterment last year.

Net profits available on the class A stock are running in excess of dividend requirements and fractionally ahead of those reported a year ago.

This company, through its subsidiaries, supplies electric power and gas in the most important municipalities in British Columbia, and operates electric railway systems and bus services in Vancouver and adjacent territory.

It covers every field of public utility operation with the exception of telephones, controls 17 power plants with an installed capacity of 326,721 h.p. It has a tramways system which carries over 80 million passengers a year, and an electric railway system which in 1941 handled 723,000 tons of freight. The company operates 692 miles of gas mains and last year sold over 1.6 billion cu. ft. of gas to 54,000 customers.

May Need More Plant

Growth of services has reached a point where it may be necessary to carry out a new expansion programme. The problem of taking care of further loads on these facilities is receiving attention. Efforts have been made to obtain additional rolling stock, buses, and electrical equipment, and the company states it has reasonable assurances that its requirements will, at least in part, be filled.

Gross revenues from operations expanded from $15.4 millions in 1939 to $18.7 millions for 1941. The statement for 1942 is expected to show gross income around $20 millions.

The increase in revenue is unlikely to be sustained on a peacetime basis. In the case of freight, revenue is obviously abnormal, due to lack of cargo vessels, which necessitated moving lumber products across Canada by rail.

Though operating revenues have increased, the improvement has not been reflected in net earnings, due to higher operating costs, higher income taxes and other charges which have tended to hold down net profits.

East Kootenay Pr.

East Kootenay Power Co., controlled by Power Corp. of Canada, is one of the larger power operators in southern British Columbia. Its domestic business is relatively small, but it has several big customers, including Consolidated Mining & Smelting Co. of Canada and a number of coal mines in the Crowsnest Pass area.

Operations and earnings have shown little change over the last year. For the eight months ended Nov. 30, last, gross earnings at $507,901 were about $46,000 greater than for the like period of the preceding year. An increase in operating expenses offset the gain, leaving net earnings, before taxes, at the same level as in 1941.

Extend Life of Bonds

Last year the company's 7% first mortgage bonds matured. Unable to pay them off, it put forward a compromise arrangement which was approved by the bondholders. Under the plan, the maturity of the bonds was extended for a period of 10 years to 1952, the sinking fund was deferred until Nov. 1, 1951, while the bonds were made callable at par and accrued interest instead of 110% and accrued interest.

At the end of Mar., 1942, there were $1,939,000 of these bonds outstanding. In addition, there were notes payable to Power Corp. of Canada covering advances totalling nearly $2 millions.

Bond interest and sinking fund have been met regularly, including charges in connection with the notes. There have been no dividend payments on the preferred stock for many years.

Nanaimo-Duncan

Nanaimo-Duncan Utilities Ltd. provides electric light and power services to a group of communities on the east coast of Vancouver Island, as well as water for the city of Duncan.

During the 1942 fiscal year, it reported a moderate gain both in operations and earnings. Sales of electrical energy advanced from 16.7 million kw.h. to 17.2 million kw.h., while number of customers served increased from 6,057 to 6,111.

Reflecting the maintenance of operations, gross income showed a small increase which was carried through to net profit. Earnings available on the common stock increased from $42,725 to $45,410, and dividends were increased from $4.50 to $5 a share.

West Kootenay Pr.

West Kootenay Power & Light Co. is the second largest power utility on the west coast.

Plant and operations are designed to meet the needs of the parent company, Consolidated Mining & Smelting Co. of Canada. To that end a steady programme of plant expansion has been carried out.

At present the company operates five plants with an installed capacity of 275,000 h.p. In addition, it has under construction a generating station on the Kootenay River, at Brilliant. This is designed for four units of 34,000 h.p. each, under a head of 85 feet. The initial installation of two units is expected to come into operation this year.

There is no public investment interest now in the company, either directly or indirectly. On Mar. 1, it redeemed all its outstanding 4% series A first mortgage bonds which had been sold in 1936 to the Sun Life Assurance Co. It is understood that there will be no public refunding operation, a loan having been secured from the parent company.

Trans-Canada Calls Show 263% Increase

Additional Telephone Circuits Built to Handle Huge Jump in Traffic Volume — 648,000 Completed Calls Between 1939 And 1942

Volume of calls over the Trans-Canada Telephone System is now nearly four times as high as at the beginning of the war. The cumulative increase between 1939 and 1942 was 263%.

The yearly total of messages increased from 87,000 in 1939 to 121,000 in 1940, 200,000 in 1941, and 276,000 in 1942. In 1932, the year the system was placed in service, only 41,000 calls were completed.

More conversations have passed over the transcontinental wires in the last four years than in the previous seven. Between 1939 and 1942, 684,000 calls were completed, compared with 389,000 between 1932 and 1938.

These figures do not include calls between adjacent provinces. A Trans-Canada call is one which involves three or more of the seven separate organizations which make up the Trans-Canada Telephone System.

These seven major systems include the Maritime Telegraph & Telephone Co. in Nova Scotia, the New Brunswick Telephone Co., The Bell Telephone Co. of Canada in Ontario and Quebec, the British Columbia Telephone Co., and three government-owned systems in the Prairie Provinces.

Charactor of Call

A call between Quebec and Ontario is a Bell Telephone call only. One between Quebec, or even Ontario, and New Brunswick is merely an interprovincial call. But one between Quebec and Nova Scotia is a Trans-Canada call, because it must pass through New Brunswick.

Similarly, a call between Ontario, or even Quebec, and Manitoba is an interprovincial call, but one between Ontario and Saskatchewan is a Trans-Canada call.

To take care of the rising volume of war traffic, several important voice paths have been placed in service on the Trans-Canada line. In 1940, a direct circuit was opened between Toronto and Vancouver, a distance of 3,300 miles. This is the longest direct circuit in the British Empire. With the direct circuit established between Halifax and Toronto in 1941, connections can be made between Halifax and Vancouver by means of a single switch at Toronto.

Direct circuits have been placed in service between Ottawa and Halifax and between Ottawa and Winnipeg. Canada's chief telephone artery also ties in with such wartime installations as the direct Ottawa-Washington circuit and the recently completed Alcan Highway telephone line.

OVER HALF IN QUEBEC

Quebec, with large resources of water power, has achieved a remarkable electrical development, the present installation representing more than 51% of the total for Canada. Almost 83% of this total installation is operated by six large central electric organizations.

MORE TO COME

Less than half of Canada's available water power, based on minimum flow, is under development. Nevertheless the Dominion ranks as one of the world's leading producers of hydro-electricity.

Manufacturers:

WHO ARE looking for shops to take care of war production:—

WHO ARE considering plans for post-war development:—

ASK US . . about facilities and conditions in our Southern Canada Power Industrial District.

GOOD LABOUR . with adequate housing.

RELIABLE POWER . at reasonable rates.

EXCELLENT TRANSPORTATION

Communicate with:

Industrial Manager

SOUTHERN CANADA POWER

Company Limited

355 St. James St. W.
MONTREAL, P.Q.

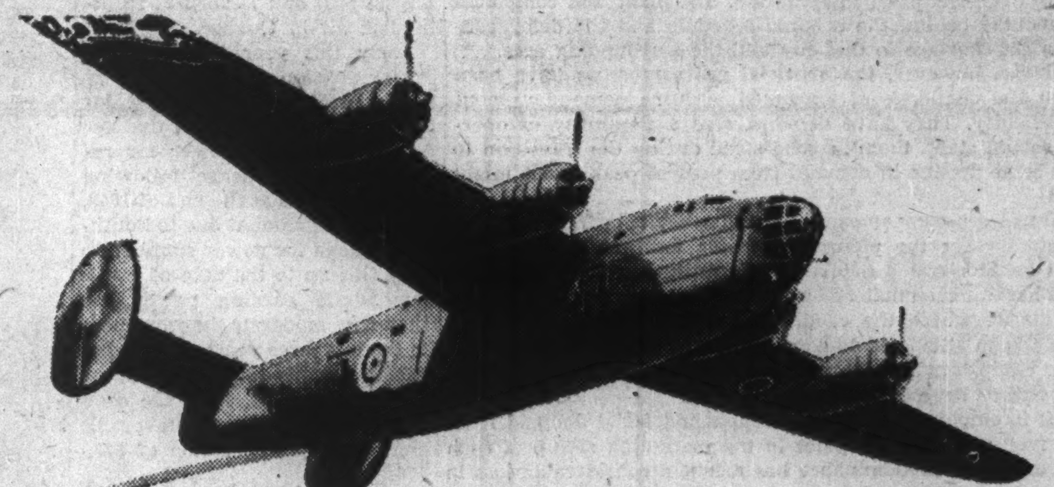
"owned by those it serves"

OUR SIMPLE DUTY

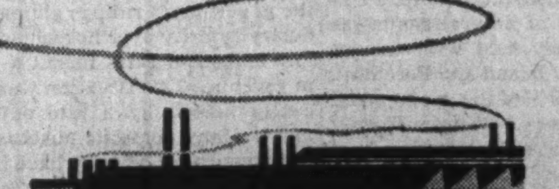
IS ALSO OUR PRIVILEGE—
TO RENDER A VITAL SERVICE
ON CANADA'S "ACTION FRONT"

This company and its personnel are on the job in providing essential power, light, gas, tramways and other specialized needs for industrial, farm, home, urban and defence purposes.

NOVA SCOTIA LIGHT AND POWER
COMPANY LIMITED
Halifax • Nova Scotia



ENOUGH COPPER FOR FOUR MILES OF WIRE GOES INTO ONE BIG BOMBER



That is just one of the reasons why copper and other materials needed for war equipment can't be used now to build new telephone lines.

Right now, Long Distance lines are often overcrowded, especially to key centres.

Won't you help by cutting down your Long Distance calls to these points to an absolute minimum?

Call by number when you can — plan in advance what you want to say, in order to save "telephone time."

REMEMBER—
War calls come first!

On Active Service

Giving Wings to Words

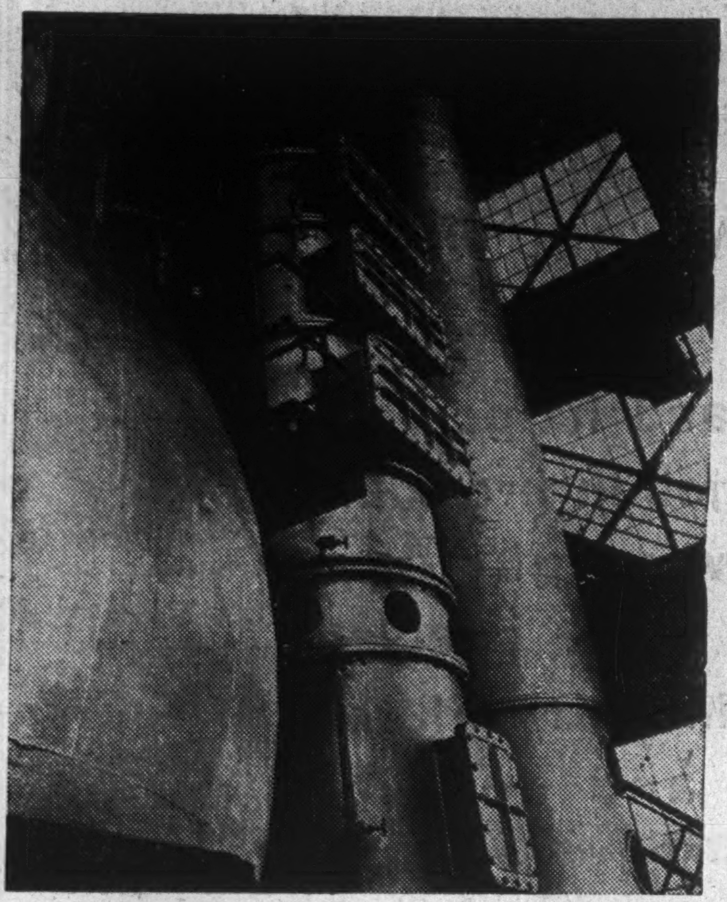
THE BELL TELEPHONE COMPANY OF CANADA

Buy War Savings Stamps and Certificates at any Bell Telephone Business Office.

Natural and Artificial Gas

Gas Industry Meets Big Changes

Today's Problems Will Carry Into Postwar Days



Artificial gas companies are one of our greatest chemical industries. Here is shown the gigantic laboratory used in extracting benzine from coal.

To companies engaged in supplying both natural and artificial gas, wartime conditions have brought a booming demand. In many branches of war material production gas plays an important part—it helps to produce optical glass, rifles, machine guns, gun-sights, bomb-sights, field glasses, lenses, engines, cartridges and shells.

Indicative of expanded demand are sales made by Consumers Gas Co. of Toronto during the year ended Sept. 30, 1942, at over $5.9 millions, compared with $5.5 millions in 1941 and exceeded only by the record high of $6 millions in 1930. The company's sales as measured by volume of gas sold were greater for both industrial and domestic purposes during 1942 than in any prior year.

The operating position of artificial gas companies has been somewhat complicated by a number of factors. One of the most important has been the necessity of importing coal from the United States which has meant payment of fairly heavy sums for exchange premium. Manufacturing costs have also been unfavorably affected by increases in wages and prices of commodities used in manufacture of gas.

Difficulty in securing equipment for new plants and expansion of existing facilities has also been something of a hampering influence. This condition played a part in delaying completion of a new $3.1 millions coke oven gas plant in Hamilton. The plant was completed some four months behind the original schedule and the delay contributed to a gas shortage in that city and the surrounding area.

By and large, however, the artificial gas companies have been able to meet the challenge of expanded wartime demand without excessive difficulty. They have demonstrated a flexibility of operations that should stand them in good stead during the transition to peace when some decline in demand from present peak levels might be expected.

With natural gas companies other, and what appear to be more serious, factors enter the picture. Heavier wartime requirements have meant an accelerated depletion of natural gas reserves—a depletion that has not been matched by opening of new fields. In southwestern Ontario, where the condition has been most serious, the situation has been alleviated to some extent by converting domestic gas heating equipment to coal wherever possible. In this area some 10,000 conversions have been made.

The shift in emphasis which has brought industrial demand from a comparatively unimportant place in the marketing set-up of such companies to one of predominance has meant a considerable loss in revenue due to the fact industrial gas has been sold at peacetime dump rates. However, this situation has been recently improved through an upward rate adjustment.

The problem of natural gas companies in maintaining their position under postwar conditions would, therefore, appear to resolve itself into two main categories. First, the problem of supply. New and substantial fields will have to be found to take the place of depleted sources of supply. Second is the marketing problem. A fairly large number of domestic customers have had to be cut off due to emergency conditions. After the war the companies will be faced with the selling task of bringing these customers back to using natural gas.

Most gas companies in the past few years have extended their selling enterprise into the field of domestic heating and cooking gas appliances. Wartime restrictions are stringent on the sale of such new equipment which would indicate that a fairly substantial backlog of demand for these appliances is accumulating.

Canadian Western

Canadian Western Natural Gas, Light, Heat & Power Co. distributes natural gas for domestic and industrial purposes in Calgary and Lethbridge, Alta. Much of the company's product has been used in recent years for heating, but establishment of various war industries in southern Alberta results in virtual capacity operation of the company's gas system during the winter.

Canadian Western is controlled by Dominion Gas & Electric Co., which is in turn controlled by International Utilities Corp. Principal source of natural gas is the Turner Valley field with reserve fields at Bow Island and Foremost. More than 99% of the gas supplied has come since 1930 from Turner Valley. The company does not drill but purchases supply from other companies. It serves a population of approximately 108,000.

Recent reports have drawn attention to declining rock pressure in Turner Valley. Repressuring operations with surplus gas from Turner Valley were carried out from 1930 to 1939, but were stopped on instructions from the Petroleum and Natural Gas Conservation Board.

In Calgary the company holds a perpetual but non-exclusive franchise and in Lethbridge, second largest community served, a non-exclusive franchise.

Net profit in 1941 was $390,997, against $437,446. Gross income in 1941 was $2.2 millions against $2.1 millions in 1940 but taxes and expenses were higher.

Union Gas

Union Gas Co., directly and through subsidiaries, distributes natural and manufactured gas in southwestern Ontario and Hamilton and districts. The company's predominant pre-war market was domestic, with industrial gas supplied as a non-profitable sideline. With the huge wartime boost in demand for industrial supply, and the government rulings giving industry priority over householders, low industrial rates meant a loss in revenue. This situation was recently helped by a rate adjustment. Many domestic purchasers, of necessity cut off, may have been lost permanently, the company point out. Reserves have also been severely depleted.

Regarding reserves, two of the chief sources of natural gas, the Malahide and Declute fields, have shown sharp declines in output. Malahide field, a few miles east of Aylmer, was previously the main source of natural gas for London. In the past year Declute has come down from 3½ million cu. ft. per day to one million cu. ft. Its peak had been 10 millions.

In Hamilton, where Union Gas is represented by its 50% interest in United Fuel Investments, a gas shortage for industrial users was felt this winter.

The new $3 millions coke oven factory of the subsidiary, United Gas, was scheduled to be in operation Nov. 1, but was delayed until late in February. In August it was decided to defer the regular quarterly dividend of 20 cents per share which ordinarily would have been paid Sept. 15.

Consumers' Gas

Consumers' Gas Co. of Toronto serves Toronto and surrounding districts under a provincial franchise without time limit. Gas sales for both domestic and industrial use reached a new high in 1942. Revenue from sales was $5.9 millions for the year ended Sept. 30, a gain of $427,568. A further record was established for a single day, Dec. 20, when gas output was 22,859,000 cubic feet, 35% above comparative 1941 figures.

Present production and distribution facilities are believed adequate for all immediate and known needs. At the close of lake navigation, the company reported, coal supplies accumulated would be sufficient to last until June 1, 1943.

Earnings have latterly been affected by wage increases and the higher cost of commodities used in operation, and federal restrictions have cut into appliance sales. New gas house heating installations have been limited. However, it is felt that increased use of gas will be sufficient to offset adverse factors.

The company has a record of long-term dividend payments established for 96 years, and is paying 8%, a reduction from the previously paid 10% under the statute.

City Gas

City Gas & Electric Corp.'s position has failed to show any appreciable improvement. The company owns and operates a gas plant and distribution system at Three Rivers, electrical distribution and water works at Amos, water works at Ste. Therese and a grist mill and factory at Huntingdon, all in Quebec.

Early this year the Yamaska Power division was purchased by Southern Canada Power Co. for $40,000, less the amount due for Southern Canada Power for restoring the property following storm damages at the end of 1942, and less the amount due to Southern Canada for power supplied to City Gas up to the date of transfer. While earning power has shown a moderate improvement in the last three years, income has been far from adequate and at the end of March 31, 1941, the company reported an unfavorable working capital position of $38,374.

Cities Heating

Cities Heating operates a central steam heating system in the business district of London, Ont., on a 30-year franchise which was granted in 1928. Public investment interest is confined to the 4½% first mortgage sinking fund bonds, due Nov. 1, 1955, which are secured by a specific first mortgage on the property and a floating charge on all other assets. The debt was reduced to $195,731, as at May 31, 1942, against $200,750 at the end of the previous fiscal year. Capital stock is privately held.

Net profit for the year ended May 31, 1942, was $2,661, against $211 for the previous period. Net profit for Jan., 1943, was $7,263, compared with $7,851 in Jan., 1942. For the eight months ended Jan. 31, 1942., a net loss of $3,192 was experienced, while in the period ended Jan. 31, 1943, the company showed a net profit of $1,729. Since the company supplies interior heating, it is explained that the bulk of its profit must be made up during the winter months.

United Fuel

The increased wartime industrial tempo has had a marked effect on earnings of United Fuel Investments Ltd., which has experienced greater volume of sales and better prices for gas sold to war plants. Domestic buying has also gained, and the number of meters active on the company's lines is up over the past two years.

Operating expenses, however, have increased, due to shortage of labor and difficulty of obtaining certain materials, and have to some extent offset business gains.

United Fuel, through subsidiaries, Hamilton By-Products Coke Ovens, United Gas & Fuel, and United Suburban Gas, supplies gas to the City of Hamilton and related municipalities which include Burlington, Burlington Beach, Bronte and others. The company is a holding company jointly controlled by Union Gas Co. of Canada and Dominion Natural Gas, a Cities Service subsidiary. Subsidiaries distribute industrial and household gas and manufacture coke and allied products.

A new coke oven gas plant is now in operation in Hamilton, constructed by United Fuel investments, Ltd., through funds provided by the Dominion government. The plant contains 54 ovens and has a daily output of some 10,500,000 cubic feet of gas. Department of Munitions & Supply expenditures amounted to approximately $3.1 millions on this plant.

Montreal Coke

Montreal Coke & Mfg. Co., jointly controlled by Montreal Light, Heat and Power Cons. and the DeKoppers Co., is one of the largest operators in the Dominion.

Last year coke production exceeded 350,000 tons and was chiefly devoted to war purposes, to the exclusion and abandonment of peacetime markets. The company used 551,830 tons of coal, or 1,511 tons a day.

From the coke operations, it secured sufficient gas, over five billion cu. ft., to meet the demands of Montreal Power's gas distribution system.

In addition to coke and gas, Montreal Coke has important by-products of toluol, benzol and other items, all of which are for war purposes.

No financial statement is issued by the company, and a short time ago all of its mortgage bonds were retired, thus eliminating any direct public interest in the enterprise.

Dominion Gas

Dominion Gas & Electric Co. is a holding company which supplies, through subsidiaries, electric power and light, natural gas and water to 120 communities, an estimated total population of more than 255,000, in Alberta and Saskatchewan.

The company is controlled by International Utilities Corp., which holds almost all the common stock. Under the voluntary recapitalization and merger plan filed by the latter with the U. S. Securities and Exchange Commission it is proposed that the outstanding 6½% collateral trust bonds of Dominion Gas & Electric be reduced from $3.9 millions to $2 millions through the use of cash and other liquid resources. The plan also proposes borrowing $2 millions for retirement or acquisition of the remaining bonds, and that the parent company be merged with the subsidiary.

Public interest in the company at present lies in its 6½% collateral trust bonds, due July 1, 1945, which are secured by shares of its subsidiaries. Interest requirements have always been earned and paid.

Subsidiaries are understood to be well established and showing continuing growth. Higher expenses, particularly taxes, however, have more than offset increase in gross earnings in the past two years.

Lead the World In 'Phone Use

Canadians Make More Calls Than Any Other People

Canadians continue to hold undisputed title to the claim of being the most talkative people in the world—at least over the telephone. In 1940, the last year for which complete returns are available, 2,889 million telephone calls were recorded in Canada, an average of 255 per capita. This is the largest number ever reported by the telephone industry.

Telephone Conversations
(In Millions of Calls)

	Local	Long distance	Total calls	Aver. per capita
1940 ..	2,864.2	34.9	2,889.1	255
1939 ..	2,742.7	31.6	2,774.3	245
1936 ..	2,444.5	27.9	2,472.5	224
1933 ..	2,247.1	24.4	2,271.5	213
1930 ..	2,475.3	37.8	2,462.8	246

53% TELEPHONES AUTOMATIC

In 1940 over half of the telephones in use in Canada were automatic; 53% to be exact. Due to the difficulty in securing new equipment, the programme of switching from manual to automatic service has slowed down considerably and little more will be done for the duration.

FOR LOW COST, HIGH-EFFICIENCY INSULATING OIL MAINTENANCE

Speed and economy of operation combine with dependability of results to make the De Laval Insulating Oil Purifier the choice of leading power systems in meeting their oil maintenance problems.

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THE DE LAVAL INSULATING OIL PURIFIER
ECONOMICALLY PROTECTS OIL-INSULATED EQUIPMENT

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MORE GUNS
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MORE
Power at WAR

So far over 200 of our employees are in the armed forces. Their skill contributed directly or indirectly to good electric and gas service to which you have been accustomed. We have not been able to replace all of them with men of equal skill.

Moreover, under the impact of national need, electric power is being called into war production in almost daily increasing volume. From now forward, the war effort has first call on power. Not a single kilowatt of electricity should be wasted.

Use all the electricity you actually need — but don't waste it!

Today, the first duty is to win the war. Every true Canadian is prepared for the sacrifices which are the price of Victory. And in the miracles which Canada is performing for war, we see the dawn of a brighter day.

Out of the laboratories where today science is bending its energies to the task of winning the Victory, will come newly developed materials, new techniques of production and new skills — yes, and new and finer electric products for the homes of Canada. There will be the familiar goods that have served well in the past as well as new things that will bring wonders of comfort, convenience and entertainment. The life of tomorrow will be happier for the sacrifices of today.

But right now, the immediate need is to out-produce the enemy in tanks, planes, ships, guns . . . . so that our soldiers will have overwhelming superiority in fighting equipment to win. Let each of us give them all the support we possibly can.

ELECTRICITY SAVED
Between 8.00 A.M. and 9.30 A.M.
is worth more to the war effort

This is the period of peak demand for power at this time of the year in Greater Montreal. Help the cause . . . arrange your work schedule to use electrical appliances either before or after the hours when power needs are greatest

1-43

MONTREAL LIGHT HEAT & POWER CONSOLIDATED

Telephone Restrictions

Civilian Telephone Use Nears Limit

Essential Needs Placed First Owing to Raw Material Restrictions

The position of the telephone companies today is indicated by the statement of C. F. Sise, president of Bell Telephone Co. of Canada, that in 1942 Bell had to deny 30,000 applications, mainly for residence service. The same story is told by practically every other phone system in the country. The demands of the armed services, war industries and the civilian population are beyond the limited facilities available.

Last fall government control of metals and other materials became more rigid. The introduction of new regulations increased the problem of supplies, both from a manufacturing and an operating standpoint. The use of salvaged materials and the employment of substitutes weren't enough to enable the telephone companies to provide unrestricted service.

New installations were kept down to a minimum but the number of stations in operation at the end of 1942 established an all-time record.

There was also a record volume of local and toll traffic. Long distance calls in 1942 exceeded by far those reported for any other year. Measures to effect a staggering of the peak loads brought a measure of relief, but on many of the major systems throughout the country the facilities were used to the limit.

New exchanges were put in operation. Old manual exchanges were "dusted off" and put back into service. New circuits were opened; toll cables installed. Millions of dollars were spent on capital account, but even at that the operators were not able to spend as much as they wanted due to the scarcity of materials and skilled labor. Maritime Telegraph & Telephone Co., for example, completed less than 40% of the programme which it had set for itself at the beginning of the year.

Naturally there are areas where facilities are not fully employed. This applies more particularly to the western provinces, but even there the rising tide of activity has brought increases in the employment of telephone facilities.

As the situation stands, and with no prospect of any early relief, telephone services will be restricted more and more for essential needs. While the telephone companies continue to be faced with finding the necessary equipment for essential needs, they are equally concerned with maintaining a high quality of service. The service is still close to peacetime standards, and with the co-operation of the public and large long distance users, it is believed there will be no serious decline of standards.

—National Film Board photo.

Welders look like ants on this section of the huge casing which lines the concrete tunnels for the gigantic Shipshaw project in Quebec. Each tunnel is 30 feet in diameter.

Eastern Twn. Tel.

A further expansion in operations was experienced in 1942 by Eastern Townships Telephone Co., controlled by the Bell Telephone Co. of Canada.

Service is provided in the area centring on Sherbrooke, P.Q., where industrial activity has been at a high level for some time past. The system is interconnected with that of the parent concern.

N. B. Telephone

Telephone facilities in New Brunswick are provided by the New Brunswick Telephone Co., which has had a record volume of business in the last three years.

Despite a curtailment of service expansion, there was a net gain of 1,645 in the number of stations on the system last year. At Dec. 31 there were 38,875 telephones in service, an all-time high. Of this number, 19,803 were dial type and 19,072 manually operated.

Long-distance toll traffic amounted to 1,327,442 calls, of which 1,218,183, or 91.8%, were completed. In addition, there was a heavy increase in toll traffic on the Trans-Canada Telephone System, of which this company is a member.

The company carried out construction programme in 1942 involving an outlay of $761,314. The largest share was spent on central office equipment, following by line and cable facilities, station apparatus, etc.

Control of this company is held by the Bell Telephone Co. of Canada. However, the company is operated as an independent unit and there is a substantial public investment interest.

Bell Telephone

Bell Telephone Co. of Canada reached a point last year where the demand for service was greater than the physical capacity. During April, the government issued an order calling for strict conservation of telephone facilities. As a result, over 30,000 applications, mainly for resident service, had to be denied.

The company reported a net gain of 63,651 stations installed in 1942. This brought the number in operation to 925,414, of which 319,898 were business and 605,516 residence instruments. Other telephone systems in Ontario and Quebec, with which the company interchanges service, now number 922, serving 161,243 stations.

Average daily connections last year on local calls totalled 6,432,000, a drop of 54,000 from the number reported in the preceding year. Toll or long-distance calls averaged 87,000 daily, or 10,000 more than in 1941.

The statistical record of operations in 1942, with comparative figures for 1941, follow:

	1942	1941
No. of telephones	925,414	888,348
Dial	256,414	265,611
Manual	669,000	622,737
No. central offices ...	415	413
No. buildings owned ..	159	150
Pole line mileage	22,880	23,003
Miles of wire	4,006,237	3,916,118
Underground	2,799,924	2,731,545
Aerial	973,808	954,244
Open	232,505	230,329
Aver. dly. connections:		
Local	6,432,000	6,486,000
Toll	87,000	77,000

To take care of this expansion in service, the Bell carried out a programme of new construction in 1942 involving an outlay of $13.1 millions, or about $1.1 million less than the previous year.

Additional long-distance facilities for the rapidly increasing toll business arising from the war required a large part of this expenditure.

Construction work involving exchange distribution cable and local equipment extensions is being curtailed to conserve materials.

During the year replacement of manual by dial service was completed at Brockville, Farnham, Kingston, Barrie, Welland and Port Colborne. In Montreal, Toronto and Ottawa, extensions to dial equipment were completed.

Dial operated telephones at the end of the year represented 97.5% of the telephones in those communities where dial service is furnished, and 72.3% of the total company telephones.

The manual office was re-established in one of the Toronto buildings with old switchboards held in reserve, thus avoiding the use of new essential materials. The old manual office in Ottawa also was rearranged for use in case of emergency.

Extensions to the manual switchboards at Trois Rivieres, Sherbrooke, London, Sarnia and Oshawa were completed, employing salvaged equipment, together with several large private branch exchange installations to serve war industries.

Further toll switchboard extensions at Toronto, Montreal and Quebec had to accommodate continually increasing traffic. New toll switchboards were installed at Kingston and Welland.

The establishment of additional toll circuits necessitated the provision of new carrier and repeater equipment at a number of locations. The repeater installations associated with the Ottawa-Montreal toll cable were well advanced by the end of the year, and should be completed during 1943.

Work on toll cable projects between Ottawa and Montreal and Ottawa and Toronto proceeded during the year, and the cable between Quebec and Ste. Anne de Beaupre, and between Montreal and St. Pie, with an extension to St. Hyacinthe, was completed.

These constitute the longest cable installations carried out in any one year.

In spite of continuing heavy demands and heavy turnover in staff, telephone service has fallen only slightly below the standard of previous years. Toll calls completed amounted to 91% of the total as compared with 92% in 1941. The average time of 102 seconds required to establish a long distance connection was 12 seconds longer than last year.

Despite a gain in operating revenues of $5 millions, net profits of the company were less than they were in 1941, due to taxes.

Marit. Tel. & Tel.

Maritime Telegraph & Telephone Co. continues on its record-breaking pace. Most of the gain is centred in Halifax, but expansion has been recorded in all parts of the province, which is served in its entirety by the company.

Since Nov., 1931, the depression low point for the company, the increase in telephones installed is almost 36.5%. At the end of last year 55,719 stations were in operation, and of this number 31,410 were on the dial system.

Local calls completed during 1942 totalled approximately 115 millions, an increase of 7.6% over the preceding year. Completed long distance calls numbered 2,280,920, a gain of 11.1%.

The company planned a large construction and reconstruction programme for 1942. Owing partly to shortage of materials and skilled labor, only 35% of that programme was carried out. The controlling factor, however, was unforeseen construction demands made by the armed services and war industries. Construction for these purposes was on a very large scale, additions having been made in exchange and toll equipment. Moreover, there was an increase in the number of toll circuits, while many contracts were carried out for government purposes.

A new toll exchange building, planned for erection in Halifax, has been temporarily abandoned due to the shortage of materials. Additional accommodation for immediate needs has been provided by an addition to the present toll building.

The gross revenues advanced from a high record of $2,081,000 in 1939 to $3,096,000 in 1942. Of this increase, $386,770 occurred last year. However, due to tax increases, the company lately reduced the dividend on its stock from 80 to 70 cents a share annually.

Revenues from toll service during 1942 constituted an advance of about 21.7% over the preceding year and were approximately 32% of gross revenues.

Telephone companies normally carry a proportion of excess facilities to provide for future growth. This surplus, in the case of Maritime Telegraph & Telephone Co., is practically all in use.

All additions to plant and equipment made during the war period have been carefully planned so that the greatest postwar use may be made of them.

Farmers Telephone

Controlled by the Bell Telephone Co. of Canada, Farmers Telephone Co. serves Howick, P.Q., and surrounding territory.

Operations are on a relatively small scale. In all, seven exchanges are operated with about 1,200 stations connected. Earnings are well established, and regular dividends have been paid on the capital stock since it was issued in 1934.

B. C. Telephone

A volume of telephone traffic "without precedent" during 1942 is reported by British Columbia Telephone Co., which operates the principal telephone system in the province.

While the record business resulted in an increase in operating revenue, a proportionate gain was made in taxes and operating expenses, states President Gordon Farrell.

At the end of 1942 the company had 148,447 owned and operated telephones in service as compared with 143,807 previously, a net increase in the year of 4,640. Increase in the previous year was 10,041, but it is pointed out in the annual report that while the demand was as great, if not greater, in the latter period, strict compliance with government restrictions for conservation of strategic materials held down the number of

(Continued on page 29)

Canadian Securities

Dominion and Provincial Government Bonds

Municipal Bonds

Public Utility and Industrial Financing

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Speedy communication, accuracy and a permanent record are vital in meeting war-time emergencies, by essential industries, Government departments and the fighting forces. That is why today telegraph lines throughout Canada are carrying urgent, detailed messages of the highest importance to the United Nations' war effort.

The Telegraphs *meet* the vital requirements of a nation at war. They provide a valuable record for reference purposes and a speedy and accurate means of communication.

CANADIAN NATIONAL Telegraphs CANADIAN PACIFIC

FOR SPEED AND ECONOMY

Holding Units Cover Wide Area

Operating Subsidiaries Active but Taxes Hold Down Profits

Jam. Public Service

Jamaica Public Service Ltd. is one of the more important public utility interests held by Canadians outside Canada. Through an operating company of similar name, it provides utility services in Jamaica.

Operations and earnings closely reflect economic conditions in Jamaica. The war has disrupted markets, shipping facilities, etc., so that the normal export trade of the island in sugar, bananas and other products, has not moved along a normal course. Nevertheless conditions have not been unsatisfactory and operating revenues of Jamaica Public Service have expanded at a rate in excess of increasing taxation. Thus for the last year preliminary returns indicate earnings on the common stock of $1.25 a share, as against $1.15 the year before.

Over the year, the company spent a net amount of $128,000 on plant and property. In addition, it retired $30,000 of bonds and $15,100 of preference stock. On the other hand, the outstanding preference D stock was increased from $97,333 to $535,333.

Foreign Power

Foreign Power Securities Corp., which is affiliated with Power Corp of Canada, is primarily interested in securities of hydro-electric and public utility companies operating outside Canada. Its funds are invested principally in French utilities and on that account its position is involved, as the directors have little knowledge of where it stands in relation to investments.

Formed in 1927, the company invested some $10 millions in French utility securities, the principal investment being in L'Energie Industrielle and Energie Electrique Rhon et Jura. It has a stake in other utilities which serve a considerable area of France.

Run Into Difficulties

Foreign Power began to experience difficulties before the war and the Sept. 1, 1939, bond interest coupon was passed. Dividend arrears were allowed to accumulate from May 16, 1932, and at last October totalled $63 a share.

At the last annual meeting the president, A. J. Nesbitt, said bond interest payments will necessarily have to be deferred until conclusion of the war clarified the status of investments in France. The book value of holdings as at the end of last October totalled $7.1 millions with a market value not known. Market value of Canadian securities and government bonds was $508,165, compared with a book value of $1.4 million.

Redemption and cancellation of the company's bonds to the amount of $26,500 was effected during the 1942 fiscal year, leaving $1.7 million outstanding.

Though growth of the public utility holding company in Canada never reached the proportions it did in the United States, still the Dominion has several units which exert considerable influence on the domestic industry. At the same time there are others which have important interests in territory now occupied by the enemy, such as France and the Philippines, and in Newfoundland, Cuba, Mexico, Central and South America.

As a rule these holding companies are not directly interested in the operation of utilties in which they hold an interest. An exception is Power Corp. of Canada, which provides managerial, technical and engineering services. International Power Co. also is more than a mere holding company, but the others are principally concerned with managing an investment portfolio.

The record of the utility holding companies in Canada over the last decade has been fairly satisfactory. Some, like Foreign Power Securities and United Securities Ltd. have got into difficulties because of situations beyond the control of management. On the whole, however, the record has been considerably better than like concerns in the United States.

Those operating companies in which the holding units are interested have, on the average, recorded appreciable progress in recent years, but the parent companies have benefited very little through increased dividends or other income. This has been due primarily to the heavy increase in taxation, which has sharply limited profits and restricted any increase in payment of dividends.

While the prospect of additional income is not overly promising, there has been a consistent though by no means spectacular advance in the volume of corporation equities in the past year. This has applied to utilities, as well as to other groups of stocks. The result has been a general strengthening in the market value of investment portfolios; a condition which may be more pronounced in the balance sheet of holding companies at the end of 1943.

Hydro-Elect. Secs.

Hydro-Electric Securities Corp. is one of the larger holding companies in Canada. It was formed by the late Alfred Lowenstein in 1926 and financed largely by European capital. Originally the funds were invested chiefly in utility securities, though in recent years there has been a somewhat broader diversification of investments.

At the end of 1941 the company's investments had a book value of $20.5 millions and a liquidation value of just under $10 millions. On the basis of market value, about $5 millions was invested in the United States; $2 millions in Britain; $1.3 million in South America and $1 million in South Africa.

The market value of holdings leaves out consideration of any value which may ultimately be realized on certain securities consisting of French Government bonds and shares in French and Belgian companies which are held on deposit in enemy-occupied territory. A reserve of about $2.9 millions was set up in 1940 against these investments.

Earnings have been relatively stable in recent years and regular dividends have been paid on the preferred stock. No payment has been paid on the common stock since 1941, but in the preceding four years 20 cents a share was paid annually.

Hydro-Elect. Bond

Controlled by interests closely identified with Montreal Power, Hydro-Electric Bond & Share Corp. is one of the limited number of Canadian utility holding companies. It was formed in 1927 and at the time $3.5 millions of collateral trust bonds were sold to the public, while an issue of $2 millions of debentures and common stock were taken up privately.

No statement has been issued by the company since its formation. Interest charges have been paid promptly, while the amount of outstanding bonds has been reduced to less than $2 millions.

Inter. Hydro-Elec.

International Hydro-Electric System, controlling Gatineau Power Co., New England Power Assoc. and other valuable properties in Canada and the United States is undergoing dissolution as ordered by the U. S. Securities and Exchange Commission under the Holding Company Act.

The plan contemplates eventual disposal of interest in six subsidiaries: Gatineau Power Co., New England Power Assoc., Hudson River Power Corp., System Properties Inc., Corinth (N.Y.) Electric Light and Power Co., and Moreau (N.Y.) Manufacturing Corp.

The system will distribute as soon as possible 1,434,672 shares of the outstanding 1,652,470 shares of Gatineau Power stock to holders of the 6% debentures in exchange for part of their debentures and interest coupons. The exchange rate will be 54 common shares for each $1,000 par value of debentures.

Distribute Other Assets

Securities of other subsidiaries also will be distributed to the debenture holders, as soon as they are put in distributable form.

The system contemplates that the New England Power Association will be reorganized to conform with S. E. C. simplification action and International Hydro will receive new common stock in exchange for present New England Power shares.

Further the plan provides for reorganization of Hudson River Power and System Properties Inc. It is anticipated that these companies will be merged with only a single class of common stock.

International plans a cash sale of its investments in Corinth and Moreau.

The assets of the System have a high book value—greatly in excess of the par value of outstanding debentures—but it is doubtful if enough will be raised to pay off the debentures in full. These debentures, which mature next year, are widely held in Canada.

Power Corp.

Power Corp. of Canada through its controlled or associated companies, has a substantial interest in public utility properties in Quebec, Ontario, Manitoba and British Columbia, and in France.

No list of investments has been published for some years, but it is understood it also has some interests in a number of other enterprises in Canada, the United States and elsewhere.

Power Corp. of Canada is known to have a controlling interest in East Kootenay Power, Canada Northern Power, Northern B. C. Power and Foreign Power Securities. Also it has a substantial stake in B. C. Power, Winnipeg Electric and Canada Northern Power. Over 65% of its funds are invested in subsidiary and affiliated companies.

Covers Wide Field

Some idea of the extent of operations of affiliated companies may be gathered from the following data:

	(As at June 30, 1942)
Population served	1,500,000
Power developed, H.P.	805,560
Customers:	
Light and power	281,589
Gas	72,472
Total kw.h. output	2,850,387,663
Gas produced, cu. ft.	2,851,764,000
Merchandise stores	50
Motor buses	271
Mileage bus routes	550
Tram cars	766
Mileage street rlys.	427
Trans. lines, mileage	3,221
Distrib. lines, mileage	4,875

There has been no major change in the position of Power Corp. of Canada of late. Operations in which it is interested have undergone further expansion. Owing to heavier operating expenses, increased taxes and other charges, the associated or affiliated companies have not been able to increase dividends or payments to the parent concern. Earnings have tended to fall off and in the fiscal year 1942, net profits of Power Corp. of Canada were barely sufficient to pay the 30-cent dividend on the common stock.

For the duration, Power Corp.'s net revenues are not likely to show any particular betterment.

International Pr.

International Power Co., Canadian public utility holding unit, controls properties outside Canada, operating from as far north as Newfoundland and to Bolivia and Venezuela in the south.

Operations are carried on through nine subsidiary companies — Bolivian Power Co., Monterey Railway, Light & Power Co., Newfoundland Light & Power Co., Oriente Electric Co., Oruro Electric Light & Power Co., Porto Rico Power Co., San Salvador Electric Light Co., Demerara Electric Co., and Electric Power Co. of Venezuela.

The war has not had any serious effect upon operations or earnings of the subsidiaries. In fact, their position has improved, a condition reflected in the action of International Power in paying off arrears of dividends on the 7% preferred stock. In 1941 the company paid the regular dividend plus $1.25 a share on account of arrears. Last year payments on account of arrears totalled $5 a share.

Earnings and finances have shown a steady improvement in recent years. In 1941, the last year for which complete returns are available, net working capital showed an improvement of around $300,000, after reducing debt charges by about $160,000.

The general income and surplus account showed net earnings available on the capital stock at the highest level in several years. Earnings on the common were equal to $1.86 a share, as against 70 cents the year before and 61 cents in 1939.

Newfoundland Pr.

Newfoundland Light & Power Co., one of International Power's principal subsidiaries, owns and operates the electric lighting, power and tramways services of St. John's and surounding territory.

The large influx of armed forces from Canada, the United States and elsewhere to Newfoundland has created a record demand on all its available facilities. This has been reflected in expansion of revenues. Gross income in 1941 reaching figure of $748,692. It is expected returns for the last year will be even larger.

Over a period of several years there has been a very consistent and steady growth both in gross and net profit. This is reflected in the dividend record. With an initial dividend of 2% in 1926, the rate was raised to 3% in 1927, 4% in 1928, 5% in 1933, 6% in 1934, and 8% in 1936 at which level it has been maintained to date.

Porto Rico Power

Ranking next in importance among International Power's subsidiaries is Porto Rico Power Co. which furnishes light and power to San Juan, capital and largest city of Porto Rico and a number of other municipalities on the island.

This company has been a substantial profit maker, paying a dividend of $8 on the common stock for many years past.

It serves more than 30 municipalities with a population of approximately 300,000, of which 115,000 live in San Juan. It also operates the tramways system in San Juan and suburbs, together with the steam railway connecting the terminus of this tramway at Rio Piedres with Paduas.

It owns hydro-electric plants having a combined installed capacity of about 16,100 h.p., together with a steam plant having a capacity of approximately 18,500 kw.

Affairs of this subsidiary have become somewhat involved. In June, 1942, the U. S. Government filed proceedings for condemnation and expropriation of the properties. In July authority was received from the courts to take possession and a formal transfer was made. The sum of $6,250,000 deemed "just compensation for the property by the Federal Works Administrator," was deposited with the courts. This figure is considerably under the company's book value of the assets.

The court ruling was challenged and the expropriation proceedings were set aside by the U. S. Circuit Court of Appeals for the First Circuit, in Boston, last December. However, last January the property again was expropriated by the U. S. Government under the War Powers Act. It is understood the company will challenge this action.

United Securities

United Securities Ltd., jointly controlled by Shawinigan and Montreal Power, holds a controlling stock interest in Montreal Tramways Co. and Canadian Light & Power. Last year it underwent a reorganization.

While it has a number of investments, the largest proportion of its funds is in the common stock of Montreal Tramways. The latter was also the most important source of the company's income up until last year, when it was forced to defer dividends on its common stock. As a result, earnings of United Securities were affected to such an extent that it was unable to service its own 5½% collateral trust bonds and at mid-year a plan of reorganization was put forward.

Under the plan, which was approved in September, the outstanding funded debt was reduced from $4,025,500 to $3,351,500 through cancellation of $674,000 of bonds. Holders of the bonds resident in Canada received a new 3% bond payable as to principal and interest in Canadian funds only and guaranteed as to principal and interest 50% by Shawinigan and 50% by Montreal Power. Holders of the bonds resident outside of Canada received new bonds, carrying the same guarantee, but payable at the option of the holder in Canada, U. S. funds or in sterling.

Under the new arrangement, it is estimated that income of United Securities will be about $16,000 short of meeting interest charges. This sum will be made up by the guarantors.

Electricity Cost Changes Little

Cost of electricity for domestic service in Canada has shown comparatively little fluctuation during the war years. The index number for 1941 was 102.94 compared with 103.25 in 1939, with the base of 100 being equal to the average of 1935-1939.

The rise as shown below is attributed to the fact that consumption of electricity for domestic purposes, a factor in making up the index, has had a tendency to rise.

Index Numbers of Cost of Electricity for Domestic Service
1935-1939=100

	1941	1939	1937	1935
P. E. I.	99.12	94.12	97.39	110.97
N. S.	95.99	95.99	96.11	108.10
N. B.	104.49	104.49	97.94	100.63
Que.	106.08	104.35	97.77	100.95
Ont.	100.42	100.96	94.46	107.81
Man.	106.19	108.43	96.80	96.90
Sask.	108.69	107.00	99.97	97.23
Alta.	89.18	97.07	99.94	101.90
B. C.	109.37	110.03	102.63	82.39
Canada	102.94	103.25	96.97	101.88

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Maritime Telephone & Telegraph Co. Ltd.
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Quebec Telephone & Power Corp.
The Avalon Telephone Co. Ltd.

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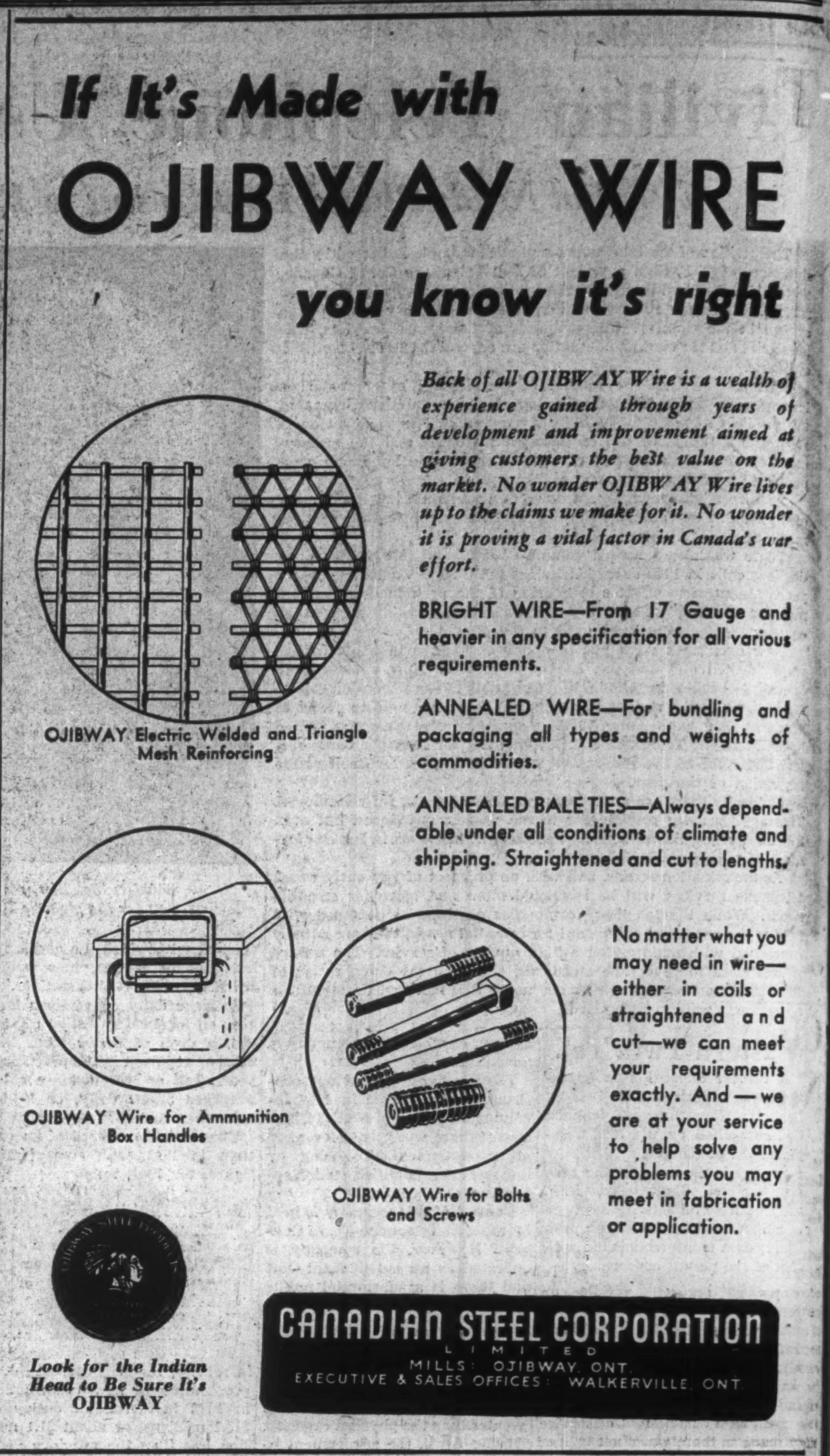

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OJIBWAY Wire for Bolts and Screws

No matter what you may need in wire—either in coils or straightened and cut—we can meet your requirements exactly. And—we are at your service to help solve any problems you may meet in fabrication or application.

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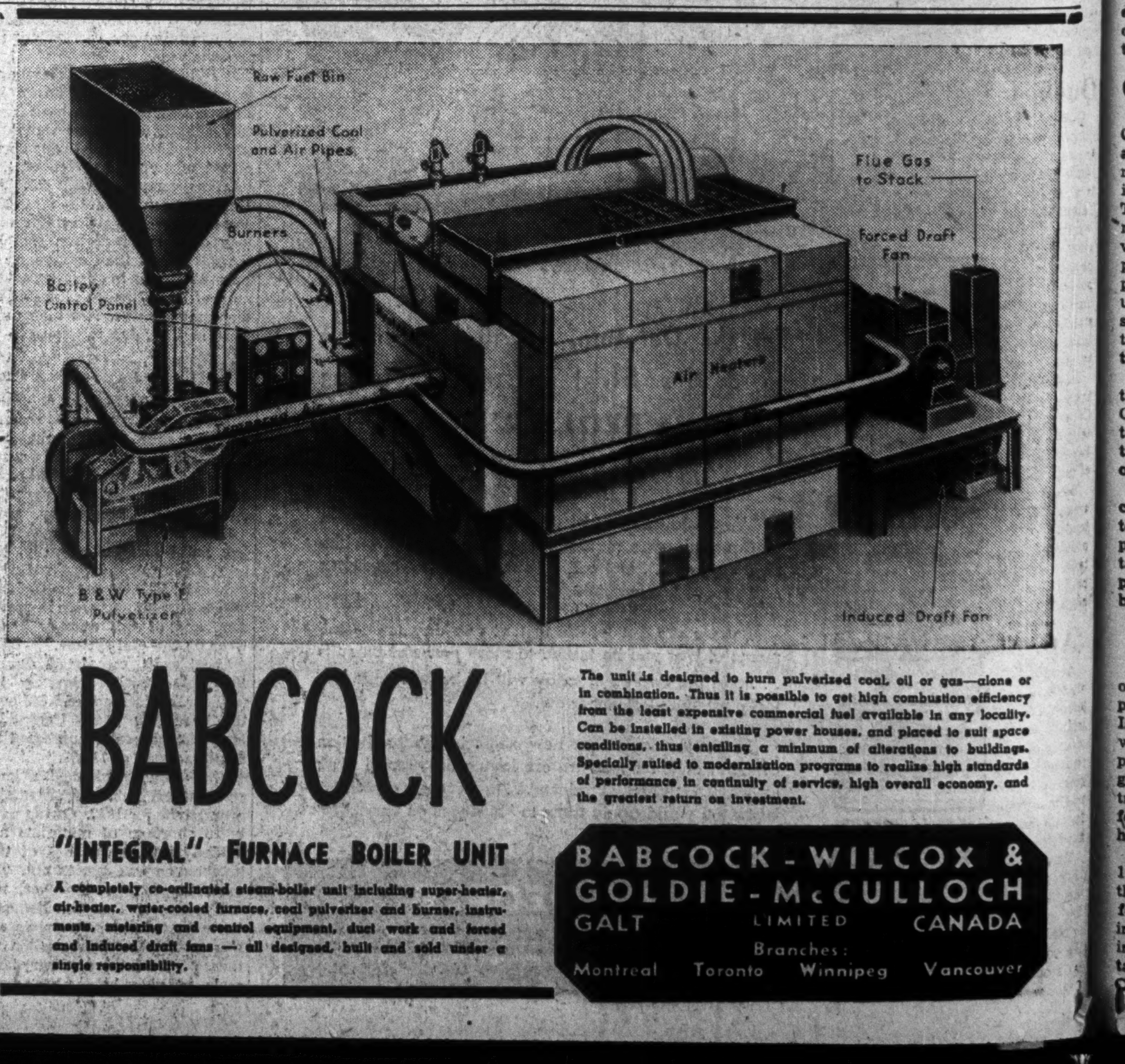

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The unit is designed to burn pulverized coal, oil or gas—alone or in combination. Thus it is possible to get high combustion efficiency from the least expensive commercial fuel available in any locality. Can be installed in existing power houses, and placed to suit space conditions, thus entailing a minimum of alterations to buildings. Specially suited to modernization programs to realize high standards of performance in continuity of service, high overall economy, and the greatest return on investment.

BABCOCK-WILCOX & GOLDIE-McCULLOCH
GALT LIMITED CANADA
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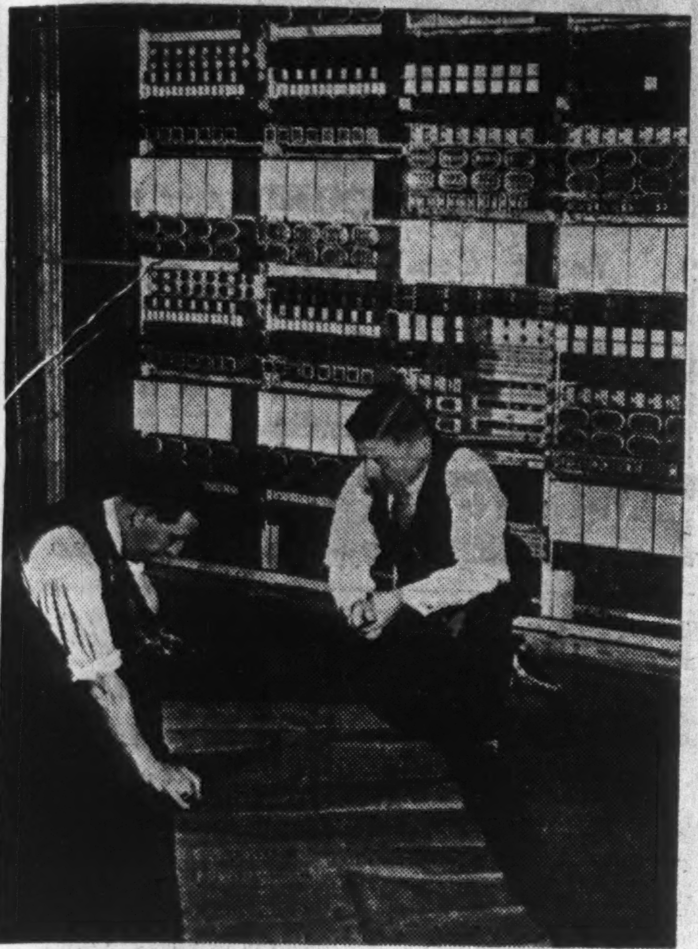
Urban Transit

Trams Carry Heavy Burden

Staggered Hours Plan Proves Effective



—Bell Telephone Photo.

This mass of repeating coils and networks gives an indication of the intricate equipment needed for a large long-distance centre.

Coupled with a sharp increase in urban traffic caused by accelerated business conditions, the load on tramway facilities has also been made heavier as more and more automobiles have been taken off the road due to gasoline and tire restrictions. In Toronto there was estimated to be one third fewer cars on the road this winter than last.

Montreal Tramways carried 21.6% more passengers in 1942 than in the previous year. This record was typical of other large industrial cities such as Toronto, Hamilton, Windsor, Winnipeg, Vancouver, Edmonton, Quebec, Halifax, Saint John and others. In these cities is found a common story of street cars crammed to capacity.

Getting war workers to and from their jobs is a very vital part of the general war effort and this task has put the stamp of essentiality on urban transit facilities. The actual number of war workers is not the only problem; many large war plants are located on the outskirts of towns, making their servicing more difficult; important numbers of workers come off duty on varying shifts at different hours of the day and night, street cars have to be there to serve them.

The situation has been further complicated by the very great difficulty in obtaining new equipment. Modern trams contain a considerable amount of vital materials such as steel, rubber and electrical equipment. Some parts of the latest models have to be imported from the United States.

Most effective way yet found for meeting the heavy demands placed on urban transit facilities is staggered hours. By arranging the opening and closing times for important numbers of workers the high peak of morning and evening rush hours is flattened out over a longer period so that just as many passengers can be carried with less equipment. Transit companies report the scheme to be working out particularly well in helping to lighten the load.

For instance, a recent survey in Toronto, where some 35,000 workers are on staggered hours, showed that during the morning inbound rush there was an increase over a pre-staggered hours period of 25.2% in street car traffic entering the downtown area, yet traffic during the maximum half-hour peak was up only 1.2%. Traffic during the three-hour evening rush was 23.4% heavier, but the maximum evening hour increased by only 0.6%. Loads carried in the half-hour periods immediately before and after the rush hour peak increased by over 70% in some cases. However, the total passengers carried at these times was still well below the loads moved during the maximum peaks.

Mont. Tramways

Montreal Tramways Co., serving Canada's largest urban area, caried 319.4 million passengers in 1942. This is the heaviest traffic ever reported and represents an increase of 21.2% over the 1941 traffic, 41.5% over 1940, and 52.9% over 1939.

While the company was able to handle the traffic last year, the way things are shaping up it is possible that Montreal will have a major transportation problem on its hands before the end of 1943.

Every piece of rolling stock owned by the company is now in service including a large number of secondhand cars which were purchased in the United States and renovated.

With the prospect that more automobiles will be off the road by next winter, it is likely that the staggering of hours of work will have to be increased. Already many Montreal firms have staggered hours. The five principal departmental stores in Montreal have changed hours of business to relieve traffic congestion. These measures have helped to keep down the peak load.

Revenues Are Larger

Financial returns of the company will not be available for another month, but preliminary indications are that gross revenues in 1942 were well in excess of the $16.6 millions marked up for 1941. This is seen in the fact that for the first time in several years the Montreal Tramways is paying $500,000 to the city of Montreal for rental of the streets.

By the terms of this agreement, the company is obligated to pay this rental annually only if the sum is earned, after making provision for certain prior charges.

Prov. Transport

Provincial Transport Co., in which a majority interest is held by Montreal Tramways Co., also reports a record volume of traffic in 1942.

While there has been a substantial increase in the number of war workers carried, civilian passenger traffic continues to represent a major share of the business.

In conformity with regulations, the company has reduced services on some of the routes and increased services to many munitions plants. Last year, 9,622,407 miles were operated, an increase of 643,195 miles over 1941.

In Kingston and Sherbrooke the company continued its city transportation service. This traffic increased about 44.5%.

An agreement has been made to sell the company's interest in the motor bus line between Montreal and New York, retaining the traffic representation.

Each year a certain portion of its operating fleet requires replacement and increased travel necessitates additional equipment. Early in 1942 it placed orders for buses it was considered necessary to buy, but, due to priorities, was unable to obtain the full number. However, 13 new buses were received and placed in service during the year.

A sharp rise in traffic is in prospect this year, and ability to handle it will depend upon what treatment is obtained under tire and gasoline regulations.

Ottawa Electric

Ottawa Electric Railway continues to report a record traffic volume. The heavy influx of government workers to the capital has increased traffic to a point where it is difficult to provide normal service.

It is estimated the population of Ottawa has grown by about 50,000 since the outbreak of war.

All equipment is in use and every effort is being made to effect necessary repairs. During 1941 the company spent $153,000 for 10 new buses which were put into operation the latter part of the year. No new rolling stock has been added for some time owing to the difficulty in securing materials.

The abnormal increase in traffic has resulted in a sharp expansion of earning power. This has been reflected in dividends paid to shareholders. In 1941 distribution amounted to 90 cents a share; in 1942, $2.10 a share. The latter was made up of regular payments of 40 cents a share quarterly, plus a bonus of 50 cents. However, the effect of new taxation is seen in the action of the board in declaring an extra dividend of 20 cents a share at the beginning of the year, compared with 30 cents a year ago.

Toronto Transp'n

Toronto Transportation Commission is owned by the City of Toronto and supplies urban transportation within the city and to surrounding municipalities. Through a wholly owned subsidiary, Gray Coach Lines, its inter-city bus network covers most of southern Ontario.

Gross revenues in 1941, latest year for which complete figures are available, were $14.3 millions, approaching the record of $14.4 millions set in 1929. The number of passengers carried was up 25.4 millions or 15.14% over the previous year, the greatest traffic gain ever experienced in any one year by the commission. Total passengers carried was approximately 193.6 millions, close to 40 millions more than in 1939, but still some 13 millions less than the peak volume in 1929. Figures on 1942 traffic are not yet available but it is known that another heavy increase was registered.

Operating costs have increased in latter years due to expansion required for additional passenger traffic, to a wage scale adjustment and to increased cost of materials and supplies.

T.T.C. has led in purchase of the new streamlined type of car, and now has 305 either in service or on order.

Capital assets in road and equipment increased $1.7 million in 1941, due largely to the purchase of new equipment. Investment in government and municipal bonds at $2.8 millions was $940,000 higher. Debenture debt of the commission at Dec. 31, 1941, was $16.9 millions.

Early in 1943 employees of the T.T.C. rejected an agreement between their union committee and the management. In March an understanding was reached when employees accepted a wage increase of five cents an hour.

Civilian Telephone Use Now Being Restricted

(Continued from page 27)

new installations to a minimum. Long distance calls originating with the company were up 14% in 1942 over 1941.

Almost all new plant construction over the last year was made for the purpose of meeting the requirements of the Dominion Department of National Defense and of essential industry. It was found necessary to request the public to curtail non-essential calls, since the additional plant required to expand service will not be available until after the war. Despite effort made to maintain efficiency available facilities are found at certain peaks to be taxed beyond capacity.

Northern Teleph.

From its head office at New Liskeard, Northern Telephone Co. supplies much of Northern Ontario with telephone service. The company has 24 local exchanges, which include Cobalt, Kirkland Lake, Kapuskasing, South Porcupine and Timmins, in Ontario, and Amos, Noranda and Rouyn, Que.

Telephones in use at the end of 1941 showed a substantial gain, at 14,189 compared with 13,506 in the previous year. Net profit in that year, the last for which figures are available, was $80,756, a decline from the previous $88,863. Gross earnings were higher but were outweighed by heavier depreciation reserves and taxes.

Quebec Tel. & Tel.

Quebec Telephone & Power Corp. not only serves an important region in the Lower St. Lawrence section of Quebec, but also is a key link between the Bell Telephone Co. of Canada and the maritime telephone systems. In view of the heavy wartime telephone traffic between maritime points and central Canada, volume of business has shown a substantial increase. At the same time, local service has increased to record proportions.

In addition to its land facilities, the company, in conjunction with Canadian Marconi, operates direct telephone communications between the north and south shores of the St. Lawrence.

While operating earnings increased appreciably, profits have tended to decline owing to larger provision for depreciation and taxes. No dividends have been paid on the capital stock since the beginning of 1931.

Atlantic Utilities

Atlantic Utilities, a subsidiary of Maritime Telegraph & Telephone Co. serving Prince Edward Island, at the beginning of 1943 was operating nearly 5,100 telephones, as against 4,718 at the beginning of 1942. Long distance toll traffic had increased and revenues for the last year are understood to have been of record proportions.

This company was formed in 1929 primarily to hold assets of the parent company not required for providing telephone service in Nova Scotia. Its principal holding consists of all the issued capital stock of the Island Telephone Co., operating in P. E. I., and all shares in Eastern Electric Supply Co., operating in Nova Scotia.

Okanagan Tel.

A subsidiary of West Canadian Hydro Electric Corp., Okanagan Telephone Co., with its two wholly owned subsidiaries, Summerland Telephone Co. and Solar Telephones Ltd., serves the Okanagan Valley and adjacent areas which include the fruit-growing centres Kelowna, Penticton, Peachland, Summerland, Vernon, etc. Okanagan Telephone is the second largest system in B. C. and has been in operation since 1911. Population served numbers more than 30,000.

In Aug., 1942, the system had nine exchanges with some 6,229 stations or connections, 600 miles of pole lines and 4,325 miles of wire.

For the year ended June 30, 1942, net profit was $31,959 as compared with $42,648 in the previous year.

Avalon Telephone

Avalon Telephone Co., which provides telephone service to St. John's, Nfld., and, through the United Towns Electric Co., in Conception Bay, reports 35 million telephone calls during 1942, or five million more than in the preceding year.

Toll traffic was exceptionally heavy and, as a consequence, it was necessary to discontinue the special Sunday and night rates.

Radio telephone service was extended to Corner Brook, which connects with the Burin Peninsula and Grand Falls area, linking these with one another as well as with St. John's, Canada and the United States.

Record Installations

The number of telephones on the system at the end of last year reached 11,500, an increase of about 3,500 since the war started. Of this number, about 10,000 are located in St. John's.

Plant additions during the year were restricted, due to the difficulty of obtaining supplies, but expenditures on capital account totalled $70,000 covering the installation of 850 stations.

No figures are available as to the trend of earnings last year. In 1941 the company reported a record gross income of $350,819. It is assumed that revenues in 1942 were on an even higher basis in view of the heavy volume of traffic handled.

Power Demand Booms Due to War Effort

Expansion in Industrial Capacity Boosts Firm Power Consumption in 1942 to Nearly Double Prewar Load.

Canada's industrial war effort, as measured in terms of firm power, reached record proportions last year, when consumption was 34,870 million kilowatt hours. This was 5,722 million kw.h. more than in 1941 and the largest total reported in any one year by the industry.

The growing demand for power has been met, so far, by the installation of additional generating equipment at about the normal peacetime rate; by diversion of additional water for power production at Niagara Falls, by the conversion to primary use of large amounts of hydro-electric energy that had been used formerly for steam raising in electric boilers, and by the continuation of daylight saving through the winter months.

There has not been enough energy for all purposes. Use of power in the pulp and paper and certain other industries was restricted.

Consumption of power in Quebec has been a feature of the returns. Last year this province used more power than all the other provinces put together. Every province recorded increased consumption, with the exception of New Brunswick, which experienced an abnormally dry season with a consequent limitation in hydro power.

At Record Level

The record of firm power consumption in each of the provinces last year, with comparative figures for the preceding year, follows:

Firm Power Consumption
(Thousands of Kilowatt Hours)

	1942	1941
P. E. I.	9,599	8,666
N. S.	502,230	477,285
N. B.	460,734	503,138
Que.	19,788,577	15,830,130
Ont.	9,316,132	7,919,594
Man.	1,119,979	1,063,431
Sask.	650,716	601,502
Alta.	415,830	316,367
B. C.	2,607,066	2,428,212
Total	34,870,863	29,148,325

RECORD TELEPHONE REVENUE

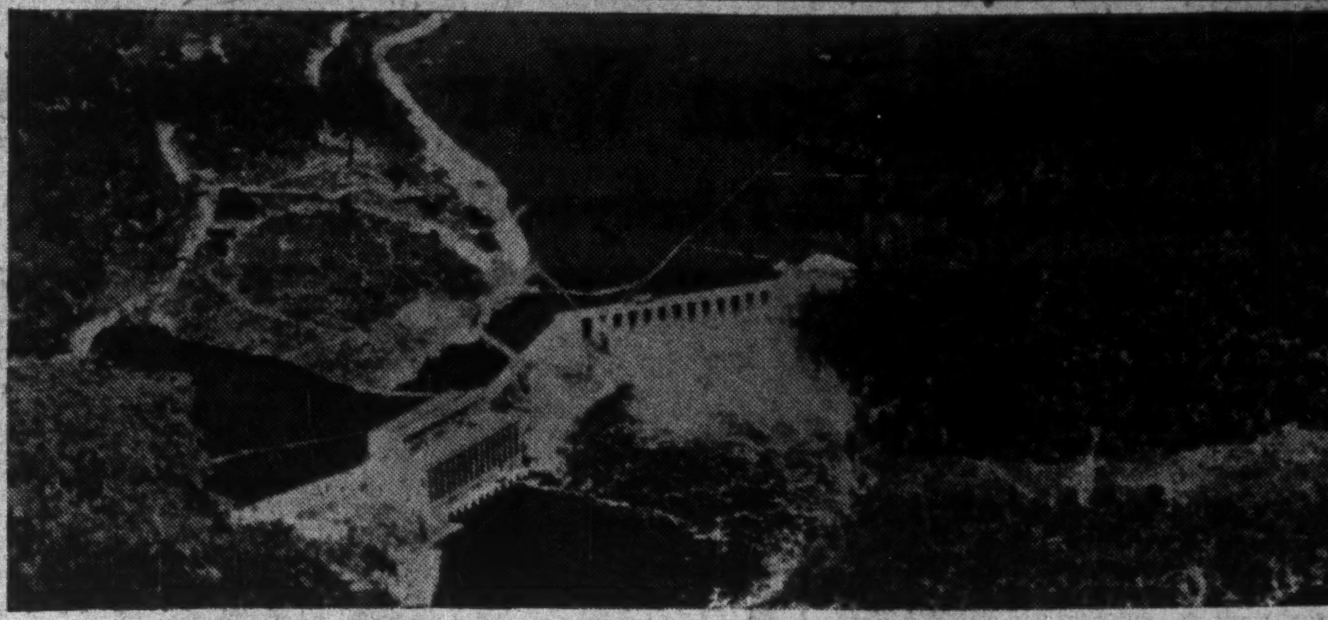
Telephone revenues last year reached an all-time peak, being close to $80 millions, or about 13% above the prawar record established in 1930.

CANADA TELEPHONE MINDED

Canada now has 12.8 telephones per 100 population; a figure exceeded only by the United States. Of the telephones in use, 8.7 per 100 of population are installed in residences.

MINING 70% ELECTRIFIED

Because of the low cost and dependability of the power supplied by the hydro-electric central stations, approximately 70% of all power equipment employed in Canadian industrial production and in mining, smelting and refining is operated by purchased hydro-electricity.



Bryson hydro-electric plant on the Ottawa River, fifty miles above the City of Ottawa, is interconnected through high-tension transmission lines with the Chaudiere and Gatineau plants. The Bryson powerhouse is designed for 77,100 h.p., in three generators of 25,700 h.p. each, of which two are in operation.

It is one of the 18 plants of the Gatineau system, which has a total installed capacity of 725,634 h.p.

GATINEAU POWER COMPANY

Ottawa Canada

Forges to Fashion Victory

GAS is Firing Them

OUT of Canada's vast resources of materials and skill, men are fashioning Victory on the forges and anvils of her industrial front.

Those forges must be kept burning . . . day and night . . . so that not an hour may be lost in beating out the weapons, the munitions, the equipment, with which men wage war today.

To keep the furnaces burning, industry turns to a well tried fuel—GAS. Needed now in ever increasing volume to do on a colossal scale what it did so well in peace time, GAS is less available for domestic use.

While GAS is on active service, householders must use it with care. Be thrifty with this fuel that has done so much for you in the past . . . while it is needed for War. In due course, it will be back on *your* job, its duty done.

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Windsor, Ontario

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London, Ontario

GAS THE IDEAL FUEL

Gas IS ON ACTIVE SERVICE

173

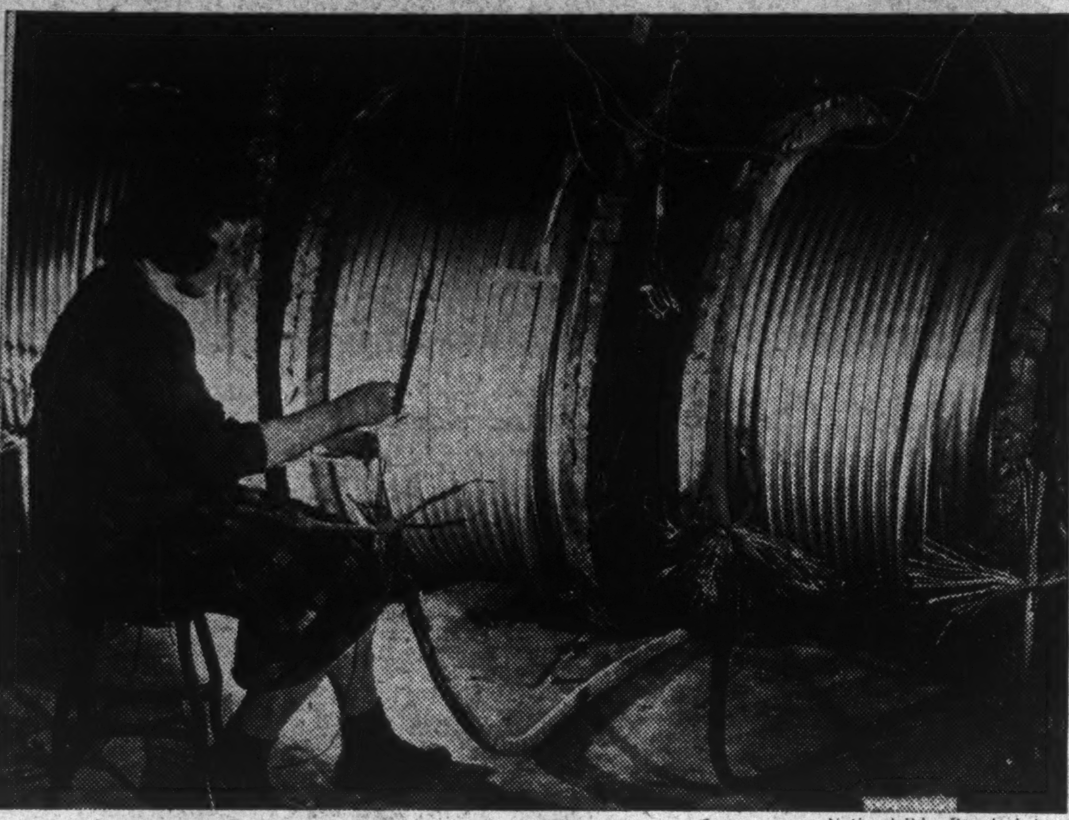
War on Wires

Telegraphs on War Business

Needs of Military Take Priority on Message Highways

During 1942 the volume of telegraph message traffic handled by the Canadian telegraph systems established a new wartime record. The greater proportion of the business transmitted under present conditions is associated, either directly or indirectly, with Canada's war activities. The telegram, a fast communication in permanently recorded form, fills specific requirements of the armed forces, government departments and essential industry in an unique way. In satisfying these requirements the Canadian telegraph systems have in every respect met the demands made upon them.

Canadian telegraphs have, since the outbreak, provided a variety of services for National Defense and other government departments. Thousands of miles of teletype networks on a nationwide scale permit widely separated operations of the Army, Navy and Air Force to keep in immediate contact with each other on a 24-hour basis. This service, of course, is in addition to the transmission of hundreds of thousands of messages over regular commercial circuits.


—National Film Board photo.

Cables are the vital highways of telephone and telegraph communications. Here cables are being tested in a Montreal factory. Each cable is capable of carrying 12 conversations to be transmitted over each circuit at the same time by means of the "K-carrier" system.

War Construction Only

Construction forces of the telegraph companies have been almost exclusively assigned to military communication projects in all parts of the country since the outbreak of war and are now engaged in carrying out defense projects involving an expenditure of millions of dollars. While the importance of the national defense from the point of view of telegraph operations at the present time must be emphasized, similar services are provided for other government departments directly associated with the prosecution of the war, such as the Department of Munitions and Supply.

A large proportion of the business handled under present conditions obviously also arises from the fact that so many Canadians, both military and civilian, are travelling a great deal in connection with the war effort and use the telegram to keep in touch with headquarters or home. The number of messages accepted, for example, at the telegraph offices in railway stations at Toronto and Montreal, or at hotels, is at an all-time high. At most camps, too, the telegraph companies have opened offices through which pass messages to and from the troops training at such camps as Borden, Debert or Shilo.

Special Troop Service

The "Expeditionary Force" message is one of the most popular services provided for the troops. Early in the war it was realized that there should be some economical means of providing reasonably fast communication between the armed forces overseas and their relatives or friends at home. Existing rates were considered high for frequent personal communications between British Empire countries, and 180 fixed texts were prepared on the basis of careful examination to cover the widest possible variety of expression at the low rate of 60 cents. The rate, of course, is lower than could be established under normal conditions, but the extensive use which has been made of the service since its inauguration has convinced the telegraph companies that their contribution in the form of an extremely low rate has been well received by forces far from home and their relatives and friends.

Railway Needs Grow

It is, perhaps, not generally recognized by the Canadian public that the Canadian telegraph systems were primarily organized to provide telephone and telegraph dispatching circuits for their parent railway systems. A substantial percentage of their respective plants are assigned to railway telegraphs and telephone operations, and hundreds of thousands of messages annually are handled for the railways over circuits manned by employees of the commercial telegraphs.

Since the outbreak of war, with an increase in volume of railway traffic of unprecedented proportion, railway communications have also undergone a very substantial increase. Railway transportation is Canada's largest war industry and the expeditious movement of trainloads of guns, tanks, shells and other material of war is made possible by the thousands of miles of railway telegraph and telephone circuits thus made available for their exclusive use.

Radio and the Weather

The two Canadian telegraph systems jointly provide transcontinental and other programme networks for the Canadian Broadcasting Corp. This involves the assignment of thousands of miles of high fidelity telephone circuits and a large investment in terminal equipment.

Further, they also provide jointly a teletype network from coast to coast over which meteorological data is transmitted for use in flying operations. Since the outbreak of war this network has been substantially enlarged as it has been necessary to extend the service to the many airports established for training purposes.

Little Plant Expansion

Fortunately, the additional demands which have been made on the telegraph companies have been met without any substantial extension of plant. The reason for this has been that over the last 15 years, except in remote sections of the country, a fairly extensive programme of modernization was followed, involving the installation of modern carrier telegraph systems, which makes possible many telegraph channels on one pair of physical wires. This situation has reduced the telegraph companies' requirements of critical material to negligible proportions so far as the densely populated sections of the country are concerned and has permitted them to assign their construction forces to projects of a military nature.

Simplify Service

Since the outbreak of war, personnel has presented a problem, as many of the trained employees of the telegraph systems have joined the armed forces. This may be expected to continue for the duration.

The situation has created problems for the telegraph companies which had made it necessary to request the co-operation of the public to an extent never contemplated during the years prior to 1939. Telephone delivery is being accepted as final in steadily increasing proportions. This relieves the burden on reduced messenger staffs. Payment for residential messages telephoned to the telegraph companies is now more often made by the customer at the counter at a conveniently located office than is collection effected by a telegraph messenger or collector. Before the war the situation was reversed, and the public's co-operation in this respect has made possible the continuation of this service. Again, the proportion of messages actually brought to an office for transmission is increasing. In these and many other ways the Canadian public is assisting the Canadian telegraph systems to carry the increased burden created by the war.

Canadian Marconi

Facilities of Canadian Marconi Co. have been substantially increased to meet war requirements, and operations have been on a capacity basis

Present production of radios for civilian use is limited to assembly of components and materials acquired prior to the government order prohibiting further manufacture. The quartz crystal grinding laboratory has been producing quartz crystals in large quantities for the government, and in addition the company is an important source of supply for the United States. Orders on hand from the government represent a value many times that of the company's output in normal years. This has necessitated extensions in plant facilities.

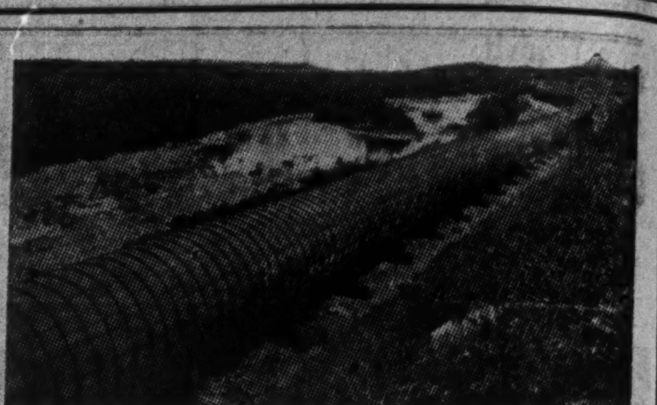
Owing to official secrecy, no particulars are made available as to volume of business handled. However, some idea of the expansion may be gained from the fact that operating profit in 1941, the last year reported, totalled $1,121,479. This contrasts with $432,752 in 1939.

Mont. Telegraph

Montreal Telegraph Co. owns about 22,000 miles of wire in eastern Canada, northern New York, Vermont, Maine, New Hampshire and Michigan. These lines are under lease to the Great Northwestern Telegraph Co., which lease was assumed by the Canadian National Telegraphs at an annual payment of $160,000. Out of this revenue the company for many years has paid regular dividends of 8% per annum. With the increased income taxes, it has been necessary to make deductions, so that in 1942 the net amount paid was $1.82 a share.

Recently the company has had some difficulty over tax claims. Quebec sought $38,375 in respect of taxes of prior years, based partly on tax laws concerning companies, and partly on the laws regarding taxes on properties. The claim was dismissed in the lower court, but the government has appealed the decision.

The Quebec Government also is assessing for an additional amount of 26,518 for 1939, 1940 and 1941, under the Capital and Profits Tax Act. Negotiations are going on, but the company claims that if any taxes are due, their payment is the responsibility of the Great Northwestern Telegraph Co. which leased the properties of Montreal Telegraph Co.



PACIFIC COAST PIPE
in NEWFOUNDLAND

Pacific Coast Pipe Co. supplied approximately 4 miles of large size creosoted wood pipe ranging in diameter from 4 ft. 10 in. in various districts of Newfoundland.

Pacific Coast Pipe Co. Ltd.
1551 GRANVILLE ST. Established 1904 VANCOUVER, CANADA

Restrict Phone Installations

From Our Own Correspondent

MONTREAL.—More than 30,000 applicants have been denied telephone service in Ontario and Quebec, many important construction projects have been deferred, and restrictions may be expected to increase as the war progresses, in order to conserve strategic materials, C. F. Sise, president, told the shareholders at the annual meeting of the Bell Telephone Co. of Canada.

"When the victory comes," he added, "we hope to resume construction as quickly as possible, not only to overtake deferred demands for service but to be in a position actively to promote further development."

Though the end of the war is not in sight, Mr. Sise told the shareholders that the company is giving the postwar rehabilitation problem intensive study.

Following the last war it experienced a period of great activity and growth. After this war Mr. Sise said it would appear doubtful if it could count on a repetition of that experience. Some authorities felt that the great capacities developed by the war were likely to bring permanent gains to the country's economy, but "doubtless this will depend on the volume of international exchange of goods permitted by the peace settlement."

Storm Damage Extensive

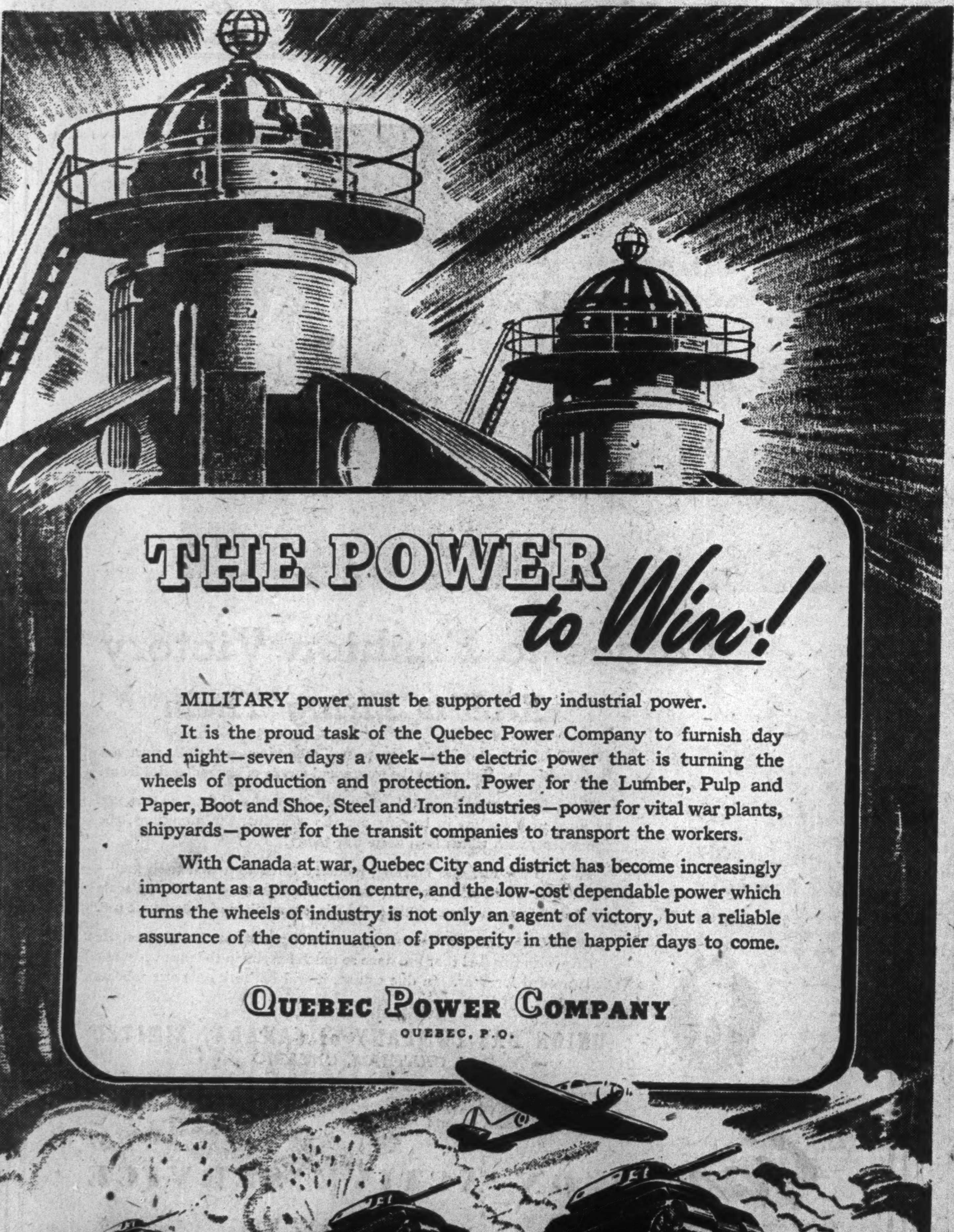
Speaking of the storm damage early in the year, Mr. Sise said:

"Fortunately we had just about completed the Montreal-Ottawa cable which, though not tested or equipped with repeaters, was hurriedly put into operation, and within a short time we had 48 circuits working on what today is perhaps our most important long distance route.

"Most of the service between Montreal and Toronto and other points in Ontario was for several weeks carried over circuits through the state of New York.

"It will be some months before permanent repairs are completed."

Discussing operation of the associated firm, Northern Electric Co., Mr. Sise told the shareholders that its facilities were devoted largely to the production of war materials



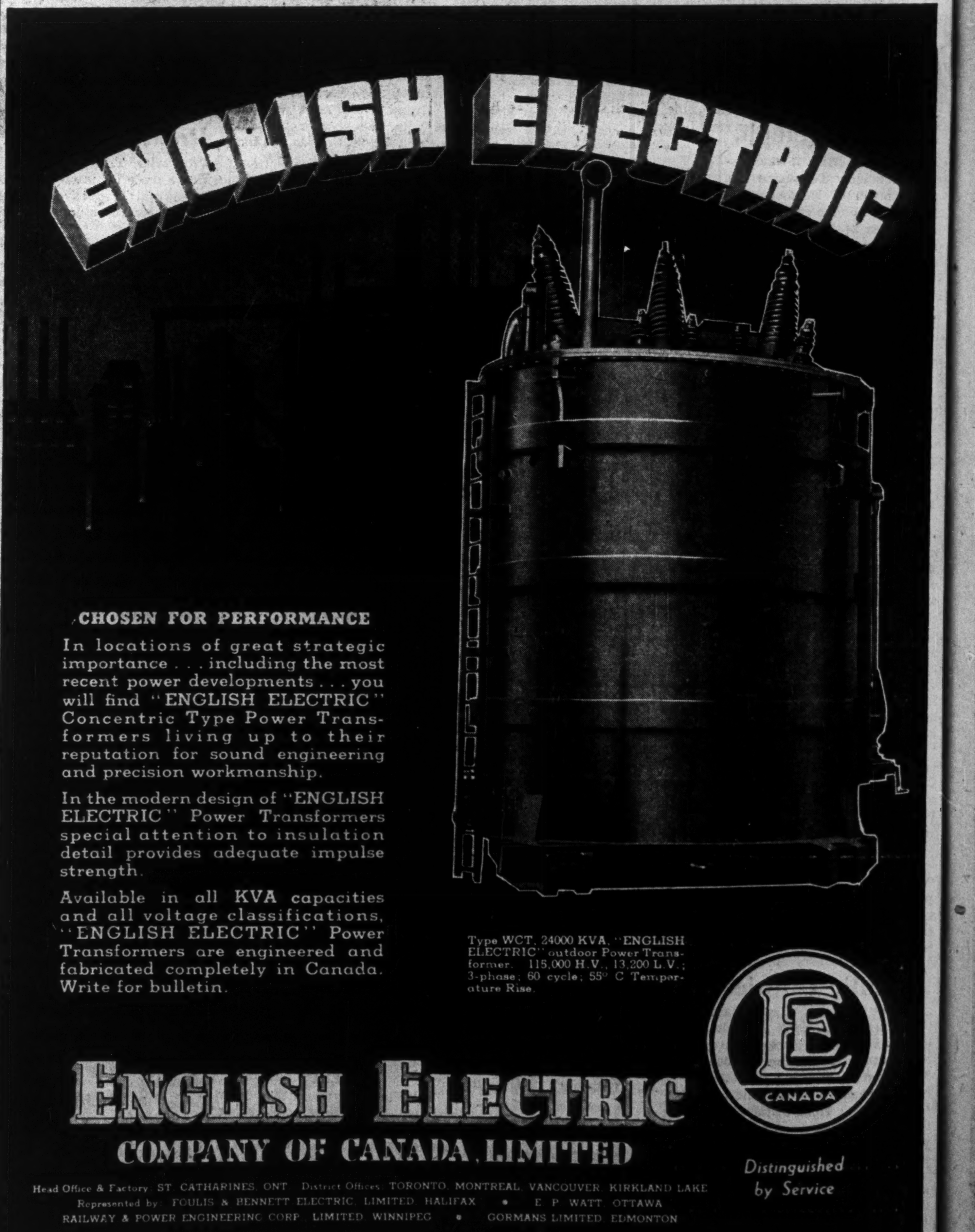
THE POWER to Win!

MILITARY power must be supported by industrial power.

It is the proud task of the Quebec Power Company to furnish day and night—seven days a week—the electric power that is turning the wheels of production and protection. Power for the Lumber, Pulp and Paper, Boot and Shoe, Steel and Iron industries—power for vital war plants, shipyards—power for the transit companies to transport the workers.

With Canada at war, Quebec City and district has become increasingly important as a production centre, and the low-cost dependable power which turns the wheels of industry is not only an agent of victory, but a reliable assurance of the continuation of prosperity in the happier days to come.

QUEBEC POWER COMPANY
QUEBEC, P.Q.



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In locations of great strategic importance . . . including the most recent power developments . . . you will find "ENGLISH ELECTRIC" Concentric Type Power Transformers living up to their reputation for sound engineering and precision workmanship.

In the modern design of "ENGLISH ELECTRIC" Power Transformers special attention to insulation detail provides adequate impulse strength.

Available in all KVA capacities and all voltage classifications, "ENGLISH ELECTRIC" Power Transformers are engineered and fabricated completely in Canada. Write for bulletin.

Type WCT, 24000 KVA, "ENGLISH ELECTRIC" outdoor Power Transformer. 115,000 H.V., 13,200 L.V.; 3-phase; 60 cycle; 55° C Temperature Rise.

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Our Stake Abroad

Canadian Millions in Foreign Utilities

Earnings Show Improvement With Increased Activity

Interest of Canadian investors in public utility companies operating in foreign countries is limited to a few concerns but some of these represent surprisingly large stakes.

Leader in this type of investment has been the group which controls Brazilian Traction, Light & Power; Barcelona Traction, Mexico Tramways and Mexican Light & Power. The former company's shares are extensively traded in Canada and have from time to time been favored speculative and investment shares among Canadians. The capital which developed these large enterprises, running into many millions of dollars, came originally from Canadian, British and Belgian sources.

There are other examples of Canadian investments in public utility enterprises operating abroad, chiefly through holding companies. In most cases the actual Canadian interest is limited.

These foreign investments have not always proven happy choices for Canadian investors. They bring in certain risks which are not present in an enterprise operating in this country. One of these is the factor of fluctuation in both foreign exchange rates and in supply of exchange. This has been particularly noticeable in the case of Brazilian Traction, a company with an outstanding record from the operating standpoint. But many times it has been difficult to obtain Brazilian exchange with which to transmit earnings out of that country which determined whether or not dividends would be paid, not operating conditions.

Foreign utility interests are also occasionally subject to discriminatory legislation and taxation. They run the risk of foreign wars, as was the case with Barcelona Traction when civil war broke out in Spain.

Barcelona Traction

No foreign exchange has been granted to Barcelona Traction, Light & Power Co. Ltd., to enable interest on the prior lien and first mortgage bonds to be resumed, and prospects are remote, according to R. H. Merry, secretary, but operations of the company are believed to be going ahead well.

The company's properties, which were in the hands of a Workers' Committee during the period of the Spanish War, July, 1936 to Apr., 1937, suffered some damage, but most are now in good condition. Since results of operations during the war were unknown, complete meter readings had to be taken in 1939 to form a starting point for billing.

Suspension of interest on the bonds was necessitated following payment of the coupons due June 1, 1936. Since the Spanish subsidiaries recommenced paying interest on their bonds Mar. 1, 1940, it was considered in the company's interest to resume current interest payments on the 6% 45-year bonds, which are payable in pesetas.

Arrears of interest from June 1, 1939, were paid in 1940, so that interest on these bonds is in arrears from June 1, 1936 to Mar. 1, 1939, an amount of $1,108,458. At Dec. 31, 1941, interest arrears on the prior lien bonds was $4,336,057 and on the first mortgage bonds $1,301,461.

Total revenue for the year ended Dec. 31, 1941, was $2,863,249, and for the five years ended Dec. 31, 1940, $13,796,455. In each case the total comprised income from investments in subsidiaries due and accrued but not received. Net profit in 1941 after allowing for full interest on all three bond issues was $1,305,693 in 1941 and $5,598,977 in the five year period.

Operations in 1942 up to the end of August showed a 16% gain in production over the previous year, according to Henri Speciael, president. However, the year was unusually dry, and steam plants were handicapped by lack of coal.

Brazilian Traction

Brazilian Traction, Light & Power Co., serves through subsidiaries and controlled companies the cities of Rio de Janeiro, Sao Paulo, Santos and the surrounding district in southeastern Brazil with tramway, electric light, gas, water and telephone services. The company is Canada's largest investment interest abroad.

In Jan., 1943, directors reported that the long-standing dispute between certain of the company's subsidiaries and the Brazilian tax authorities had been settled and amicably adjusted at approximately $5.4 millions. A board of arbitrators, one chosen by the treasury, one by the company and one by the President of the Republic, examined the treasury's claim for $7.8 millions. Special reserves were sufficient to cover the final settlement.

A dividend of 60 cents per share was paid Dec. 15, 1942, the previous payment being 40 cents made in July.

Approximate population served by Brazilian is: traction, 3,993,000; electricity, 5,477,000; gas, 2,577,000; water, 179,000; telephones, 13,250,000.

Gross earnings for the year ended Dec. 31, 1942, were $46.5 millions, against $42.7 millions in 1941. Operating expenses in the two periods amounted to $21.7 millions and $19.7 millions respectively. Net earnings totalled $24.8 millions in 1942 against $23 millions in 1941.

In January, this year, gross earnings were $4 millions as compared with $3.7 millions in 1942. Expenses were up from $1.7 to $1.8 millions, and net earnings $2.2 millions in 1943 against $1.9 millions in 1942.

Temporary rates for certain services continue to be in effect, pending the setting of permanent rates. Gas rationing is now in effect in Rio, Sao Paulo and Santos, owing to shortage of fuel.

Mexican Light

Gross earnings of Mexican Light & Power Co. were up in the first 11 months of 1942 to $10.4 millions as against $8.9 millions in the previous comparative period. Net was $3.4 millions in the 11 months against $2.4 millions for the same period in 1941. The company directly and through subsidiaries supplies light and power services to Mexico City and other areas in Mexico.

Latest reports indicate improvement in the power theft situation. Total losses in 1940 had been 32.1% but were down to 28.95% in 1941. In 1941 the company's power plants generated 1,089,569,857 kw.h. of electricity, as compared with 1,148,452,971 kw.h. in the previous year.

Improvement in gross earnings is held chiefly due to increased tariffs which have been effective from June 15, 1941.

Twin City Transit

Twin City Rapid Transit Co., through subsidiaries, controls the entire street railway system in Minneapolis and St. Paul, and operates bus and suburban railway lines in the vicinity. A passenger revenue gain of 31.09% was reported in 1942, due largely to war factors, according to D. J. Strouse, president. The total passengers carried during 1942 was ahead by 21.69%. The company in 1942 paid dividends of $7 per share, as against no payment in the previous year. Operating expenses were $1.09 million higher.

Dividend arrears on the preferred stock of the company at Dec. 31, 1942, amounted to $49 per share. During 1942 the company was required to discontinue operations on two bus lines operating between St. Paul and Minneapolis in compliance with Office of Defense Transportation orders diverting traffic from buses to rail service to conserve rubber and gasoline. Chartered bus service was also discontinued, but the additional contract service in 1942 to Twin Cities Ordnance Plant boosted total revenue for such transportation, which was up $94,656 in the year.

Operating expenses were up $1.9 millions, approximately 26.43%. Cost of operating labor in the period was $4.8 millions as against $3.9 millions previously, a gain of 21.6%, while the number of miles covered advanced 7.66%.

Boost Power Capacity By 1.5 Million H. P.

Gain Achieved Since Outbreak of War to be Supplemented by Another Million H. P. During Current Year

To provide new power capacity for war industries it has been necessary to build plants, divert additional water from Niagara Falls and construct dams on the Lievre and other rivers to increase storage facilities. Power systems have been interconnected, notably in Quebec, while old steam plants have been brought out of retirement and placed in service.

Additions to Supply

Following is a list of the additions to the power supply since 1939 in Ontario and Quebec:

Additions to Power Supply Since 1939

ONTARIO	H.P.
Big Eddy	10,000
Niagara Falls	135,000
Niagara Falls (Weir)	20,000
Barret Chute	54,000
Welland Canal	5,000
De Cew Falls	55,000
Total	279,000
QUEBEC	
Beauharnois	200,000
St. Maurice Power	223,000
Shawinigan (Improvements)	100,000
Shipshaw-Chute-a-Caron	320,000
Upper Ottawa	32,000
Maclaren-Quebec	25,000
Mont. Tramways (Steam)	25,000
Mont. Power (Steam)	10,000
Mont. Power (Cedars)	20,000
Power lines, etc.	210,000
Total	1,165,000
GRAND TOTAL	1,444,000

The industry's ordinary construction programme has not slowed down, though it has necessarily had to be revised to fit in with wartime conditions.

While nearly 1½ million h.p. of effective capacity has been added in the last three years, another million h.p. is scheduled to come into operation over the next 12 months.

This is in addition to the work undertaken last year, which added 378,600 h.p. to installations, bringing the total to 9,225,838 h.p.

Quebec Sets Pace

Hydro-electric installations in Quebec during 1942 totalled 280,400 h.p.

Aluminum Power Co. added two units of 55,000 h.p. each to its Chute-a-Caron plant on the Saguenay River, and brought the first two 85,000 h.p. units of its great Shipshaw development on the same stream into operation.

Two or three other small Quebec developments were completed.

Ontario reported installations totalling 66,900 h.p. last year.

Ontario Hydro completed its hydro-electric generating station on the Madawaska River. This plant, at Barret Chute, has an installation of 56,000 h.p.

Great Lakes Power Co. added a 10,900 h.p. unit to its plant at Lower Falls on the Montreal River.

In Nova Scotia, Avon River Power completed a 4,500 h.p. turbine at Hell's Gate on the Black River.

West Also Active

In Alberta, Calgary Power Co.'s Minnewanka Lake development of 23,000 h.p. began operations last fall.

Farther west, West Canadian Hydro-Electric Corp. installed a second unit of 3,800 h.p. in its generating station at Shuswap Falls, increasing capacity to 7,600 h.p.

Outstanding among the hydro power projects in process of completion is the Shipshaw development. This project, one of the largest single power plants in the world, is scheduled for completion by the end of this year.

Additions in progress to the Shawinigan Water & Power Co.'s system include a 40,000 h.p. unit at Rapide Blanc, while St. Maurice Power Corp. is adding a 44,500 h.p. unit to its La Tuque plant, both on the St. Maurice River. These units are planned for operation next July.

Ontario Hydro is proceeding with the construction of a new plant at De Cew Falls. This station will have an initial installation of one unit of 65,000 h.p. and is scheduled for completion next July.

Two Maritime Units

In the Maritimes, the New Brunswick Power Commission is installing a 7,500 kv.a. steam turbo-generator in its Grand Lake station. The Nova Scotia Power Commission has commenced development of a site on the Medway River. This plant with an installation of 1,290 h.p. should come into operation shortly.

On the West Coast, West Kootenay Power & Light Co. has under construction a fifth generating station on the Kootenay River. It is designed for four units of 34,000 h.p. each, with the initial installation of two units.

Hydro Power Industry's Record

	Installed H.P. in 1942	Underway H.P. Capac.
British Columbia:		
West Kooteneay Power	......	68,000
West Canadian Hydro *	3,800	......
Canadian Fishing Co.	......	235
Alberta:		
Calgary Power Co.	23,000	......
Ontario:		
Ont. Hyd. (Madawaska)	56,000	......
Do. (De Cew)	......	65,000
Do. (Niagara)	......	20,000
Great Lakes Power	10,900	......
Quebec:		
Aluminum Power (Chute-a-Caron)	110,000	......
Do. (Shipshaw)	170,000	680,000
La Sarre Power	400	......
Shaw'n (Rapide Blanc)	......	40,000
St. Maurice Power	......	44,500
Tadoussac	......	300
Lower St. Lawrence	......	5,000
New Brunswick:		
N. B. Power Board	......	*
Nova Scotia:		
Avon River Power	4,500	......
N. S. Power Board	......	1,290

*7,500 Kv.a steam unit scheduled for 1943.

WRITING NEW PAGES
IN THE BOOK OF HISTORY OF
La Province de Québec
CANADA

Northern
Québec Wilderness
1941
18 Months later
Power For War . . .
SHIPSHAW!

FROM the deep and hitherto untouched wilderness of this famous old Province, a million and a half more white horses are stampeding along the road towards Victory for the Allies. For the Saguenay River has been conquered . . . and the untravelled waters of the wilderness are harnessed for the battle of freedom!

Big? The new dam — completed by engineers and workers in the record time of 18 months — is the nucleus of a power development greater than Boulder Dam in the U.S.A. or the Dnieper development in Russia. And with the coming of the Shipshaw plant, this rugged corner of La Province de Québec becomes the greatest hydro-electric centre in the world.

Here's added power for war. Horsepower against Hitler. The electric power generated here will go into producing 80% of the total aluminum required by the British Commonwealth of Nations — that's approximately 40% of the amount required by *all* the Allied Nations including the U.S.A.

But let the facts speak for themselves. Let Shipshaw speak!

Shipshaw is a bright page in this Province's war history. It's only one of our answers to Hitler. Significantly, Shipshaw is located in the same region as the township of Lidice, named by the Québec Government in order to perpetuate the name of the Czech village so ruthlessly destroyed by Hitler's troops. Both Shipshaw and Lidice lie in the famous land of "Maria Chapdelaine", familiar to tourists as the country on which Louis Hémon based his novel of the same name.

SHIPSHAW

Ultimate power capacity—	1,300,000 H.P.
Cost	$105,700,000.
Height of dam	155 feet.
Operating head	210 feet.
Length of main power house	800 feet.
Ultimate number of generators	16
Maximum number of men employed	10,595.
Average monthly payroll	$2,101,000.
Amount of excavation	7,321,250 cu. yds.
Volume of concrete masonry	1,408,082 cu. yds.
Average amount of cement required daily during height of construction	31 carloads.
Total storage capacity of reservoirs, upper water shed	425 billion cu. ft.
TOTAL SAGUENAY DEVELOPMENT	
Shipshaw, Chute-à-Caron and Ile-Maligne hydro-electric stations	2,000,000 H.P.
TOTAL PROVINCE OF QUEBEC DEVELOPMENT	
(as to January 1st, 1944)	5,700,000 H.P.
Total possible commercial hydro-electric installations in La Province de Québec	17,000,000 H.P.

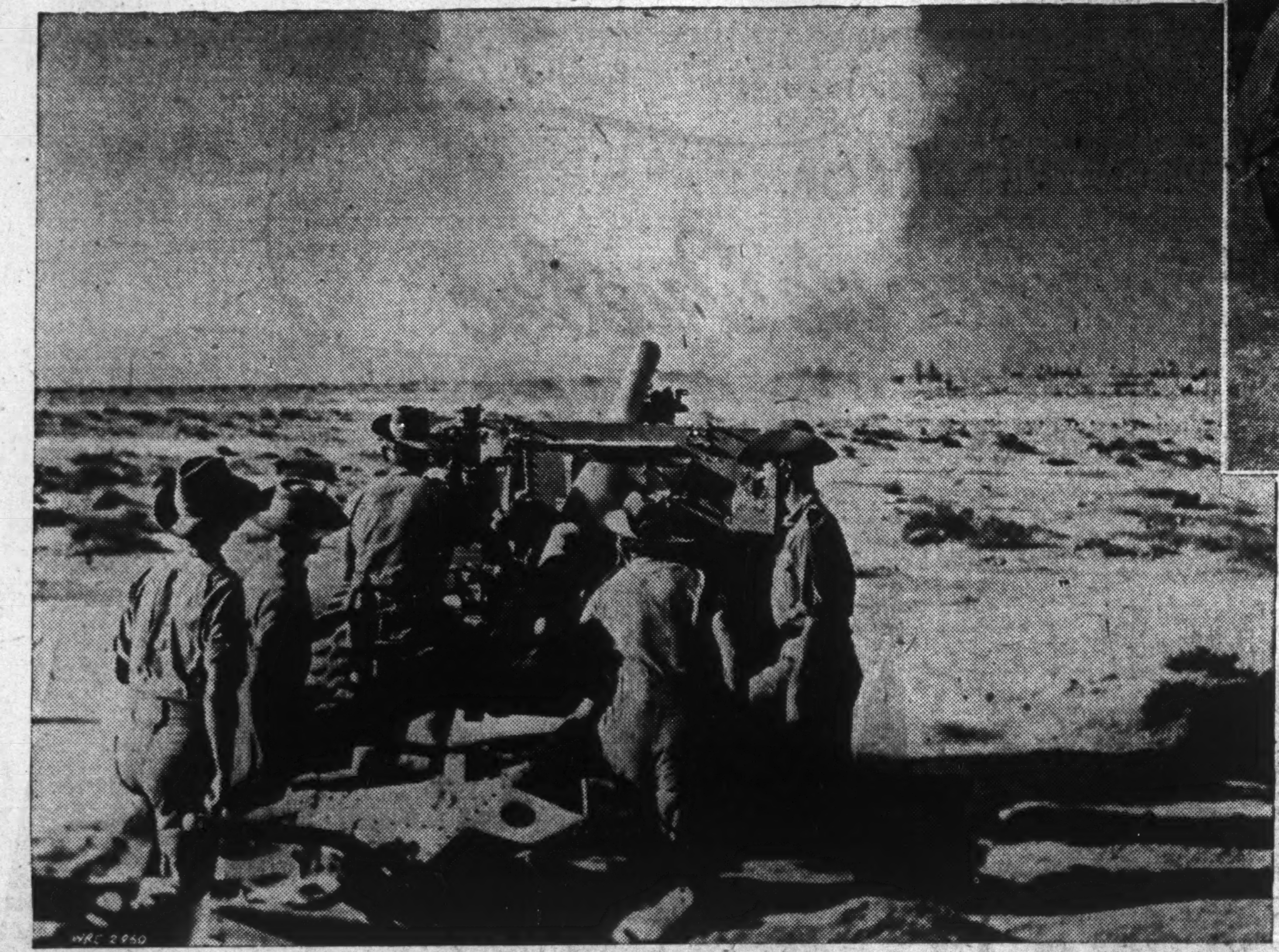
Now — Shipshaw joins the battle of production and lends its might to our share of the struggle for freedom. It's pledged to do an all-out war job. But when peace comes back again, the power that is Shipshaw will flow smoothly into production for that brighter, better, world of tomorrow.

Shipshaw is a new landmark in the vacationland of La Province de Québec. Travel restrictions may make it difficult to visit French Canada in wartime . . . but Shipshaw will be seen by thousands when peace comes again. To all our fellow Canadians we extend a hearty invitation to travel and vacation in La Province de Québec when Victory has been won!

LA PROVINCE DE
Québec
CANADA

TOURIST AND PUBLICITY BUREAU
PARLIAMENT BUILDINGS, QUEBEC
or 200 Bay Street, Toronto. Elgin 2111

You Can't See SHAWINIGAN in these Pictures



Australians, during the Libyan advance, manning a 25-pounder gun built, complete, in Sorel, P.Q.

Prelude to Victory. A giant bomber takes on its spawn of 500-lb. bombs, its message from Quebec Province to the "Target for Tonight."

–but It's There

A 25-pounder gun barks in Tunisia; a 500-pound aerial bomb screams its way to its Axis target; a plane wings in faster flight because aluminum gives it greater speed and flexibility —

All these and many other missiles for the liquidation of Hitler & Company, on all fronts, are made in Quebec with Shawinigan Power the potent but invisible aid.

Hydro-electric energy is the indispensable factor in modern, large-scale industrial production.

Canada is rich in developed power, over half of which is in the Province of Quebec — thanks in considerable measure to the pioneer vision and preparedness of Shawinigan.

Ready to meet the demand of war production when it came, Shawinigan also envisions the day of Victory when the people, the power and resources of this Province unite to win the fruits of Peace.

Among the products made in Quebec with Shawinigan Power and now in action on all fronts of the United Nations:

- Aerial Bombs
- Aircraft
- Aluminum
- Ammunition
- Boots
- Calcium Carbide
- Cartridges
- Chemicals
- Electrolytic Copper
- Explosives
- Fuses
- Guns
- Parachutes
- Shells
- Ships
- Special Steel Alloys
- Tanks
- Textiles
- Uniforms
- Wireless Equipment

The Shawinigan Water & Power Company with one of the largest single concentrations of hydro-electric power in the world under one control — nearly 1,250,000 h.p. installed capacity — is a mighty factor in Canada's production.

THE SHAWINIGAN WATER & POWER COMPANY

MONTREAL • CANADA